

DECEMBER 12, 1988



Furor over Arafat

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TIME

"Good" Cholesterol

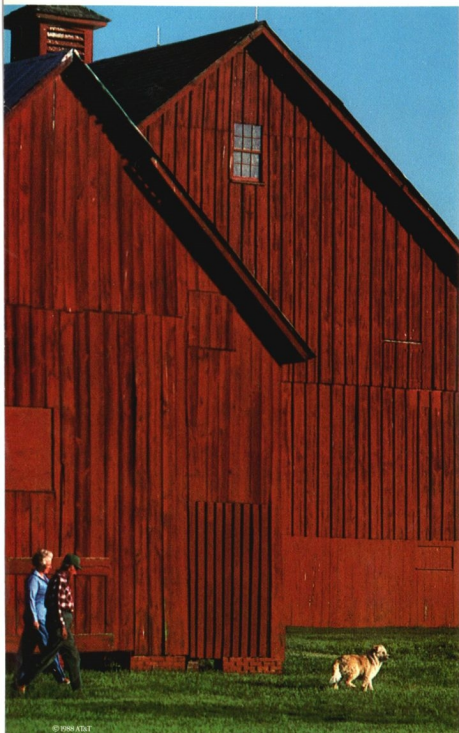
Encouraging News for Your Heart



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MATTELSON

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<i>Skid Plates</i>	Standard	\$141
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<i>Carpeting</i>	Standard	\$205
<i>Opening Side Windows</i>	Standard	\$89
<i>Rear Seat</i>	\$420	Standard
<i>Tachometer</i>	Standard	NA
TOTAL	\$12,499*	\$13,588*

costs \$459 more than an Isuzu Trooper II, can climb to over \$1,089 by the time it's comparably equipped.

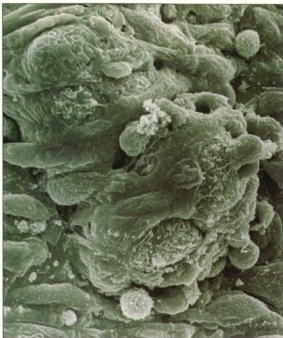
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†1988 4WD Base Model. ††4 Speed Standard. *Manufacturer's Suggested Retail Price P.O.E., excluding tax, license and transportation fees. Prices as of 8/15/88 and are subject to change.

**Rebate offer expires 12/31/88.



COVER: The encouraging news is that HDL, the "good" cholesterol, may be your best ally in fighting heart disease **62**

There is strong evidence that this component of the body's total cholesterol count helps keep the arteries clear of deadly plaque by vacuuming up LDL, the "bad" cholesterol. ▶ How can you raise your level of the "good" while lowering the "bad"? The basic approach is to cut down on cholesterol and saturated fats in your diet and get regular aerobic exercise. See **MEDICINE**.



NATION: Leaving his troubles behind, Gorbachev jets into New York to meet with Reagan, Bush—and Donald Trump **20**

The Soviet leader will address the United Nations, tour a capitalist pleasure dome, then fly to Castro's Cuba. ▶ Here's how high-tech weapons like the Stealth bomber and SDI could make the world less stable. ▶ Why Bush lets Tower twist slowly in the wind. ▶ The Democrats wrestle with their Jackson problem.



WORLD: By a resounding vote, the U.N. deplores Washington's decision to deny a visa to Yasser Arafat **36**

As the General Assembly decides to provide the P.L.O. chairman with a pulpit in Geneva, the U.S. comes under political and legal fire. ▶ A case for opening talks with the P.L.O. ▶ One Palestinian family's struggle demonstrates why the *intifadeh* burns on and on. ▶ A flicker of opposition introduces democracy to a session of the Supreme Soviet. ▶ Italy's great heroin scourge.

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**BUSINESS: The
buyout barons win
RJR Nabisco**

KKR outfoxes Ross Johnson in history's biggest takeover tussle. The company will now have to dig out from a colossal load of debt.

► Interest rates hit the highest level in years.

56



**LAW: Revisiting
the "reindeer rule"
for the holidays**

With confusion in the lower courts, the U.S. Supreme Court prepares to take another look at how many secular trappings must surround publicly supported crèches and menorahs.

71



**PRESS: Two '60s-era
magazines are
remade for the '90s**

On the cutting edge in their prime, *Ms.* and *Mother Jones* hope to cast off their images as vestiges of a bygone time and appeal to a broader audience.

72



**RELIGION: It's a
gloomy Christmas
in Bethlehem**

The *intifadeh*, pressure from Muslims and Jews, and fears of emigration and community decline cast a pall on celebrations by Christians in the Holy Land.

75



**LIVING: And what
would you like for
Christmas?**

This year many parents and grandparents may find the answer surprisingly familiar, as cautious toy companies promote some new variations on the old classics.

79



**BOOKS: For the
Christmas season,
twelve colorful
volumes make up a
child's garden of
lore and laughter**

From bad ants and a jolly dinosaur to an aspiring astronaut and creationist Eskimos, this year's pick invites young readers to visit and revisit the worlds of animals, machinery and legend. One special realm of enchantment: the landscape of *Dear Mili*, realized in masterly illustrations by Maurice Sendak for a newly discovered tale by one of the Grimm brothers.

83



**CINEMA: Twins and
twits brighten two
holiday romps**

Arnold Schwarzenegger and Danny DeVito are *Twins*. Leslie Nielsen's dim detective in *The Naked Gun* is a heroic twit. Both films offer dollops of undemanding holiday fun.

82

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15 American Ideas

75 Milestones
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98 Essay

Cover:
Illustration by
Marvin Mattelson

From the Publisher

This week's cover stories on "good" cholesterol nearly created a crisis in the home of senior writer David Brand, who wrote both the main story and the accompanying article on nutrition. Brand became so intrigued by the topic that he began to analyze the cholesterol content of all the meals his family ate. "That nearly drove my daughters Leslie and Robyn crazy," he recalls. "They accused me of ruining every meal and wanted to ban the subject altogether." Never an autocrat at the table, Brand capitulated in the interest of domestic peace.

A native of Kent, in the southeast of England, Brand has shown a similar fascination with new topics throughout his career. As a teenager he wandered through much of Europe, ultimately setting out for the New World, where he worked as a reporter in Montreal. Later he earned a B.A. from New York University. For 16 years, Brand worked at the *Wall Street Journal*, where as a science reporter he won an American Association for the Advancement of Science-Westinghouse Science Journalism Award for stories on protein research and artificial intelligence. After a few years of helping edit the paper's front page, he went to London as a *Journal* cor-



The Brands' heart watching with oat-bran muffins

Cholesterol was not a fit topic for table talk

respondent. Among his assignments was a visit to Siberia to report on Soviet science. He joined *TIME* as a senior editor in 1983, where one of his first duties was editing a cover article on the dangers of cholesterol. Eighteen months ago, Brand returned to his first love, writing, and has since applied his curiosity to such subjects as Asian-American students, the environment and the hospice movement. In preparation for this week's stories, Brand so immersed himself in the subject that he even had his own cholesterol count checked. He was relieved to find it was 170, well within the low-risk range. But that should have come as no surprise. A self-described "food fanatic," Brand avoids cholesterol-rich dishes and relaxes by preparing Chinese meals that are low in saturated fats. He credits his diet sense to the influence of his wife Sandra, a former registered nurse who works as an executive chef. In normal times, though, the Brands seldom discuss nutrition at the table, especially when their daughters are eating at home.

Robert L. Miller

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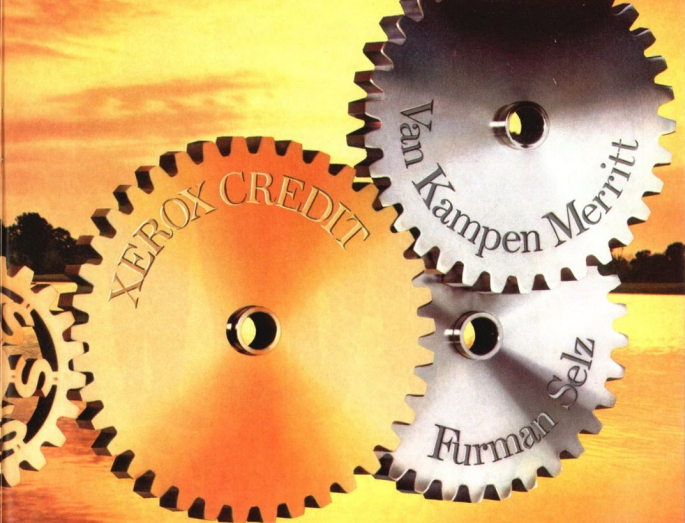


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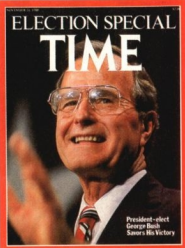
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Letters

PRESIDENT-ELECT BUSH

**"The
Republicans run
to win. The
Democrats run
to lose."**

Randal J. Roenicke, Ormond Beach, Fla.



I am incensed, not at the supposed negative campaigning but at the portrayal of the winning candidate [THE ELECTION, Nov. 21]. We the people elected George Bush by a large majority, and I represent the condescending claim that we have had the wool pulled over our eyes.

Philip B. Gieseler
Williamsburg, Va.

Bush wrapped himself in the flag and said he represented the values of the mainstream; he then commenced to slander his opponent. Now he wants everyone to forget the ugly, mean-spirited campaign he led in his effort to beguile the voters. He expects all of us, including those "liberals" at whom he repeatedly sneered over the months, to come together out of a spirit of patriotism and accept him as our President. Not me, Mr. Bush. Not ever!

Frank Lurz
Mill Valley, Calif.

I read with increasing indignation your postelection coverage. It is typical of the media, both written and visual, to tell the population why it voted for one candidate or against another. Bush won be-

TEAM WORK



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cause the greater number of voters felt he was more qualified to lead this country than his opponent was.

Connie Kobus
Hiram, Ohio

Bush's victory only reinforces my fears about the American electorate and the state of the economy. The roof is caving in on our debt-ridden home, and here we sit at the dinner table calmly ordering second helpings.

Gerard F. Keogh Jr.
Bloomfield, N.J.

I am a loyal Democrat and a reluctant Dukakis supporter, but I won't be voting Democratic so long as my party treats the presidential race as a joke. By continuing to choose lackluster candidates, the party has only itself to blame for defeat. The Republicans run to win. The Democrats run to lose.

Randal J. Roenicke
Ormond Beach, Fla.

I really wanted to vote for the George Bush of 1980.

Martha Shambaugh
La Grange, Ill.

The candidates did it. The media did it. The handlers did it. The spinners did it. What I don't hear is the name of the real culprit: the American people.

Terry L. Cline
Cambridge, Mass.

All over the U.S., citizens are watching and hoping that the Democrats can manage to endure this latest crisis without tearing one another apart. The race for 1992 begins now.

Karen A. Hunter
Glasgow

Most Popular Protestant

Billy Graham has earned the respect of millions without resorting to the use of amusement parks, TV empires or other gimmicks (RELIGION, Nov. 14). He has faithfully carried out for 50 years what God has called him to do: preach the Gospel of Jesus Christ.

Patricia A. Hollinger
Littiz, Pa.

Many evangelists and churchmen aspire to be as influential as Graham, but few are as willing to conform to Christ's formula: "Whosoever shall exalt himself shall be abased; and he that shall humble himself shall be exalted."

David E. Kucharsky
Cross River, N.Y.

Graham is someone who truly "lives out what he gives out."

Susan Raddatz
Plymouth, Minn.

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Room for Hope

Your report on rural Haiti is accurate regarding the extreme poverty of the countryside [WORLD, Nov. 7]. But I think it is shortsighted to say this is a land where "hope never grows." In recent trips to Haiti, I have seen that the people want to work. The literacy rate is very low, but Haitians are intelligent and can learn. I am sure that if political equilibrium is achieved, more industry will seek the cheap labor that exists there in abundance. Perhaps the new President, Prosper Avril, can bring about stability, and eventually Haiti will be a thriving country for business and tourism.

Aubert Hauenstein
Saddle River, N.J.

Label Her Real

The piece on private-label merchandising in the retail industry was informative [BUSINESS, Nov. 21]. However, I would like to make a correction. It is true that some of the designer names used on Macy's private labels are fictitious, but the name Jane Justin, as in "Charter Club by Jane Justin," is not. Justin is senior vice president of product development and merchandising and is responsible for a number of Macy's private labels.

Kathryn Nelson, Fabric Coordinator
R.H. Macy Corporate Buying Office
New York City

Lying Down with Wolves

Your article on biologist L. David Mech's and photographer Jim Brandenburg's experiences of living with a wolf pack was insightful and sad [ENVIRONMENT, Nov. 21]. Their observations of these beautiful yet misunderstood animals in the wolves' Ellesmere Island habitat acquainted them with a social structure built on trust and interdependence. However, my enthusiasm was dampened when I read that the two men's friendship, which had survived 18 years and Ellesmere, ended because of a dispute over book royalties. It makes one wonder who the social animals really are.

Brandt Laird
Great Falls, Mont.

The wolf pack was able to see how two human beings cooperated with each other on the prowl and then quarreled over the spoils.

Juan Solo
Lima

Rhino Poaching

The killing of rhinoceroses in Kenya for their horns threatens to destroy the species [WORLD, Nov. 21]. In vast areas, reliable prevention of this practice is virtually impossible. The best way to stop the

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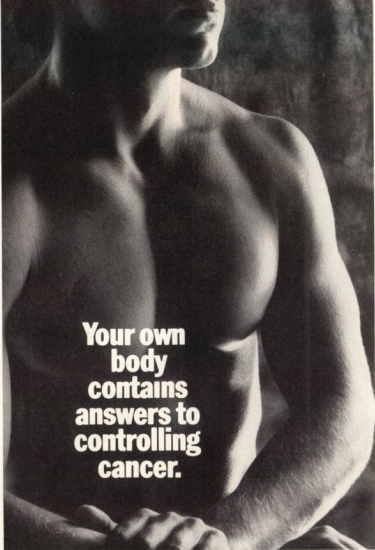
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slaughter is to remove the incentive. The rhino has few natural predators, so it does not need its horn to survive. What about an organized program to capture the rhinos, remove their horns and then release the animals? Perhaps the carnage would stop long enough to allow repopulation of the rhino in Africa.

*Pamela C. Wagner, D.V.M.
North Grafton, Mass.*

Readers' Choices

The Person of the Year for 1988 should be the Burmese student, representing those who were felled by army bullets while peacefully demonstrating against the corrupt and harsh one-party rule in that country.

*U Kyaw Win
Laguna Hills, Calif.*

Physicist Stephen Hawking, who has achieved so much in spite of his incredible adversity, Lou Gehrig's disease.

*J. William Sherar
Metairie, La.*

One man who has worked unrelentingly to see that peace, order and sanity return to this planet is the U.N. Secretary-General, Javier Pérez de Cuéllar.

*Adekanmi J. Omitiran
Lagos*

Please consider fearless crime buster Rudolph Giuliani, U.S. Attorney for the Southern District of New York.

*Preston Iverson
Los Angeles*

Mother Nature, with her record heat, drought, flood and hurricanes, showed us her power to influence world events.

*Patricia A. Salomone
Leonia, N.J.*

No question; it's Mikhail Gorbachev.
*Neil Haller
Dallas*

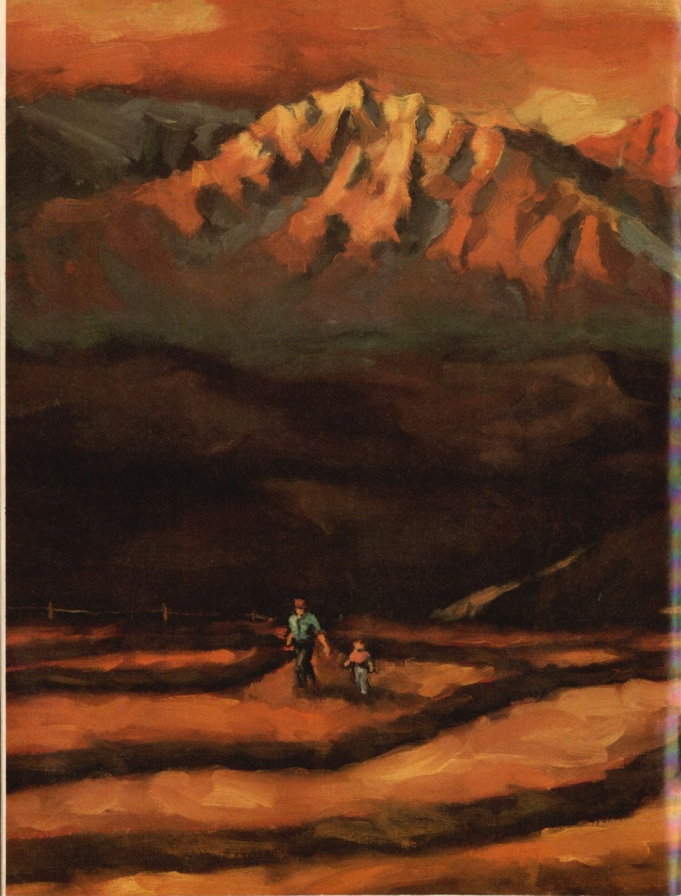
Nominees for Man of the Year

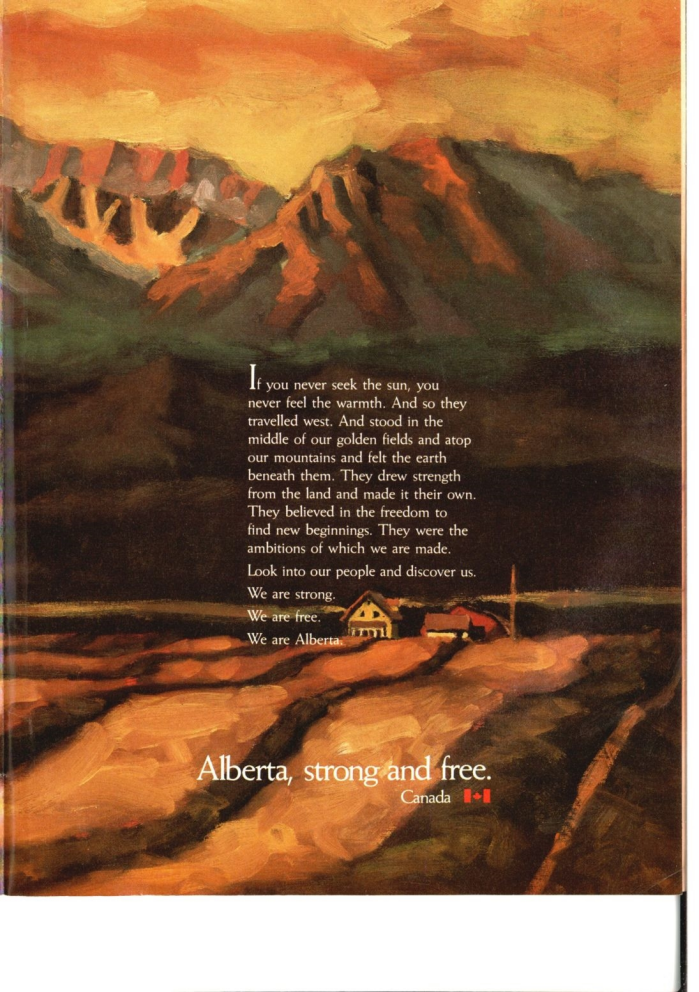
It is the time of year when TIME's editors prepare to name the magazine's choice for Man of the Year. However, many of our readers have already made their decision. So far, we've received nominations for 35 candidates, including those mentioned above. Our editors' selection will appear in the issue dated Jan. 2, 1989. Additional suggestions are welcome.

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, or may be faxed to TIME at (212) 522-0907. They should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.



Imagine a people who knew no boundaries.





If you never seek the sun, you
never feel the warmth. And so they
travelled west. And stood in the
middle of our golden fields and atop
our mountains and felt the earth
beneath them. They drew strength
from the land and made it their own.
They believed in the freedom to
find new beginnings. They were the
ambitions of which we are made.

Look into our people and discover us.

We are strong.

We are free.

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Alberta, strong and free.

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Critics' Choice



TELEVISION

A MAN FOR ALL SEASONS

(TNT, Dec. 7, 8 p.m. EST). Charlton ("Moses") Heston tackles another larger-than-life hero, Sir Thomas More, in a new production of Robert Bolt's drama on Ted Turner's cable channel.

THE HOUND OF THE BAS-KERVILLES

(PBS, Dec. 8, 9 p.m. on most stations). Step aside, Basil Rathbone; for fans of PBS's *Mystery* series, Jeremy Brett has become the definitive Sherlock. Here he re-solves one of Holmes' most famous cases.

ROOTS: THE GIFT (ABC, Dec. 11, 9 p.m. EST). Christmas on the plantation with Kunta Kinte (LeVar Burton) and other personages re-created from TV's legendary mini-series.



MOVIES

MISSISSIPPI BURNING. As G-men investigating racially motivated murders, Gene Hackman and Willem Dafoe become entrenched in the civil rights movement. From the black community's frightened silence to the local lawmen's self-righteous denials, director Alan Parker has powerfully reimaged a time and place.

OLIVER & COMPANY. Dickens with a twist: the sprightly tale of an orphan cat named

Oliver, a gang of raffish dogs and a pampered poodle with Bette Midler's voice. A jaunty love song to New York City, and the best Disney cartoon feature since Walt died.

SCROOGED. The very meanest executive in the whole TV business (think of it!) finally gets the Christmas spirit. In this amiable, slapdash comedy, Bill Murray is a sleazy delight. God bless him, everyone.



BOOKS

PRIVATE VIEW: INSIDE BARYSHNIKOV'S AMERICAN BALLET THEATRE

by John Fraser (Bantam; \$30). One season (1986-87) in the life of a great dance company. The text and grainy candid photographs by Eve Arnold beat with life and explode with candor.

PARTING THE WATERS: AMERICA IN THE KING YEARS, 1954-1963

by Taylor Branch (Simon & Schuster; \$24.95). The first half of a two-volume biography as social history puts Martin Luther King Jr. at the center of the American revolution in race relations that began with sit-ins and Freedom Rides and ended with President Lyndon B. Johnson maneuvering a stalled civil rights bill through Congress.

THE HIGH ROAD by Edna O'Brien (Farrar, Straus & Giroux; \$18.95). The Irish author made her reputation writing about headstrong girls dashing toward the flame of maturity; her tenth novel portrays women who have come out on the other side, badly burned.



"A must!" Deserving the highest praise, this tops-of-all tastes. Starring 1½ ounces of Kahlúa and 4 ounces of fresh cream or milk over ice. Making things taste delicious is Kahlúa's specialty. We tell all in the Kahlúa Recipe Book. Do send for as many copies as you like. Kahlúa, Dept. A, P.O. Box 230, Los Angeles, CA 90078-0230.

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325i FOR UNDER \$25,000*.

For years now, auto makers have been unleashing hordes of sporty-looking cars that claim to perform "like a BMW."

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Press the accelerator of the BMW 325i, and you experience more pulse-quickenning response and more useful torque—plus BMW's characteristic "silky, sexy,

and aggressive" sound (Car and Driver Magazine).

That's because the 325i's 168-hp 6-cylinder power plant, unlike those of imitation BMW's, sums up decades of racing-bred refinements. While a uniquely sophisticated engine computer coaxes maximum performance from its finely-honed parts.

Pick out your favorite stretch of winding pavement. You find yourself slicing through the twistiest of corners with an exhilarating sureness that gives real meaning to the phrase "painted to the road."

That's because the 325i combines BMW's patented fully-

independent suspension with precise rack-and-pinion steering and rear wheel drive, rather than the econobox-type front-wheel variety that makes the pursuit of high performance "an exercise in futility" (Road & Track).

When it comes to safety, you'll appreciate how the 325i's computerized antilock brakes help prevent uncontrolled skids and dramatically cut stopping distances. Imitation BMW's offer less responsive braking systems, often as an expensive extra.

Finally, this 325i embodies the meticulous construction and longer development time that traditionally enables 3-Series models to retain thousands of dollars more of their value on the resale lot than imitation BMW's.**

If you're in the market for a family sports sedan, contact your authorized BMW dealer for a thorough test drive of the 325i.

You'll discover the difference between engineering applied to a car as opposed to engineering applied to a price tag.



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*Manufacturer's suggested retail price \$24,650 for 1989 325i 2-door. Actual price will depend upon dealer. Price excludes taxes, license, options, dealer prep, destination and handling charges. **Comparison based on "Kelley Blue Book Official Residual Value Guide," May/June 1988. Prices may vary. © 1988 BMW of North America, Inc. The BMW trademark and logo are registered.



Turning Public Housing Over to Resident Owners

A welfare mother of five who organized a housing complex sparks a national trend

BY JEROME CRAMER

On a sunny day in October, Kimi Gray was handed a gold key in a celebration marking the first time in U.S. history that public-housing residents could become the owners of their homes. To her, it was an occasion rich with meaning. "Poor people," she says, "are allowed the same dreams as everyone else." The event was a

significant step in a revolution that has been moving through more than a dozen public-housing projects across America for 15 years. In these complexes, tenants have balked at the notion that poverty means helplessness, and are taking over the management of their housing.

Getting the poor and mostly undereducated residents of public housing to assume responsibility for their dwellings has been hard, but not nearly so difficult as convincing politicians that it can be done. Gray, chairwoman of the Kenilworth-Parkside Resident Management Corp. in Washington, has been leading this fight since 1972. The decision to take control of the project was forced on Gray and her neighbors, she says. Plumbing was broken and heating was, at best, intermittent. So in 1981, deciding "things couldn't get much worse and we had to do something," Gray petitioned the District government to let residents take control. The mayor eventually agreed, and in January 1982 Gray's tenant management corporation began collecting rents, making repairs and running things for itself. What the corporation got was a run-down facility with bursting pipes, flooding basements and no one trained in physical-plant management. "It was crisis that brought us together," Gray says.

Welfare mothers learned plumbing skills, children were pressed into clean-up patrols. The residents thrived, and Gray became a national spokeswoman for the movement.

This success led Gray to lobby Congress for changes in housing laws giving tenants the right to buy their homes from the government. The law went into effect

tenants their homes, he says, "gives the poor dignity and a stake in the American dream." The management association paid \$1 for the title to Kenilworth-Parkside. In 1990 residents will be able to buy shares in their units.

Kenilworth-Parkside is a hub of activity. The grounds are clean and graffiti-free, and more than 100 residents work in businesses created by Gray's management corporation. These include the day-care center, a barber and beauty shop, a moving company and a construction-management firm. Gray's plans are boundless: she has started negotiations with the Department of Transportation to establish a "reverse commute" system for driving residents in vans to unfilled jobs in nearby suburbs.

At first glance, Gray seems an unlikely leader of a growing national movement. She spent many of her 42 years living on welfare. Raised in a public-housing complex in Washington, Gray at 19 was the mother of five children with no husband. Self-pity, however, rarely troubled her. "My grandmother taught me I had to lie in my own bed and be responsible for my life."

The lesson was well learned, and since moving to Kenilworth-Parkside 22 years ago, Gray has rarely stopped pushing for her dreams. Soon after she arrived, she became president of the local day-care center. Later she organized "College Here We Come," a program that has helped send nearly 600 academically gifted youngsters from public housing to colleges throughout the U.S. Since 1981 Gray has helped create



Kimi Gray visiting the day-care center at Kenilworth-Parkside

"There were nights I cried myself to sleep because people wouldn't listen, didn't trust me, or themselves."

in 1987. Prominent Republicans, including Ronald Reagan, flocked to her cause, but Kimi Gray is no conservative ideologue. Her success depends on Great Society programs such as job training to drive home traditional conservative values. "We want to bring families back together, restore our pride and respect," she says. Congressman Jack Kemp, another fan of Gray's who co-sponsored the 1987 legislation, calls tenant management a "synthesis of New Deal programs and conservative thinking." Selling public-housing

a wide range of programs for the 3,500 residents of the project that have paid off in myriad ways: in the past six years dependence on welfare has dwindled from 85% to 2%, administrative costs of the project have dropped by nearly two-thirds, and teenage pregnancies have been cut in half. Along the way, Gray's brand of tenant management has saved the District and Federal Government about \$5.7 million in operating expenses. Says Congressman Kemp: "She is inspirational, and her mind is breathtaking. She might have been born

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poor, but there is no poverty in her."

Such praise has been hard won. In the early years, Gray was considered a radical and troublemaker. "I'd go to meetings and get so mad I'd yell and turn the place out," she says. Politicians tried to block her plans, so Gray used a tool no politician can ignore: votes. In 1976 she organized and registered to vote 12,000 public-housing tenants. As chairman of the city-wide public-housing board, Gray is now a local political power of the first order. The success at Kenilworth-Parkside hasn't come without struggle. Poverty can drive out hope, and Gray admits that at the start of the tenant management struggle, "there were nights I cried myself to sleep because people wouldn't listen, didn't trust me or themselves."

Slowly, attitudes began to change, aided by new tenant rules that Gray admits are neither gentle nor subtle. Example: residents must take turns serving as hall and building captains. "People don't throw trash on the ground when they know it soon will be their turn to pick it up," she says. Tenants can use the day-care center, but only if they are working or looking for work. Residents are expected to take care of their property, which means fixing broken toilets and sinks themselves. One member of each family must take six weeks of training in such subjects as personal budgeting, pest control and basic home repairs. A system of fines is imposed on residents who break the rules. "Being poor doesn't give you the right to be dirty or lazy," she says. Though the bylaws seem downright harsh, in six years only five families have been evicted for breaking them.

Conservative black scholar Robert Woodson argues that "people change their behavior in order to stay in Kenilworth-Parkside. It's a class-specific solution in which poor people help themselves." Woodson, whose National Center for Neighborhood Enterprise helps promote tenant management throughout the U.S., says that "the federal and state governments have spent nearly \$1 trillion over the past 20 years in a largely failed effort to fight poverty. Now Kimi and others are taking it out of the hands of professionals and giving jobs to tenants."

Gray is the first to admit that tenant management and ownership are not the only antidotes to public housing and welfare, but she insists that her efforts can be duplicated elsewhere. "There are thousands of Kimi Grays in America who are willing to try," she says. Woodson agrees: "Kimi and other leaders are the last best hope for many of these public-housing projects. Tenant managers can't offer guarantees, but they hold great promise. The only thing worse than poverty is accepting the status quo."

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MESSAGE FROM THE PRESIDENT

KENYA
Special Advertising Section

Twenty-five years is not a long time in the history of a nation. Yet as we Kenyans celebrate this month the first quarter century of independence, there is much cause for pride and joy in what we have been able to achieve in so short a time. We have made progress in all spheres of life, in education, in health, in agriculture, in industry and in the general welfare of our people. And this phenomenal progress has been achieved against a background of an international economic order which has been clearly unfavorable to developing nations such as our own.

Success is first and foremost due to the devotion and energy of our people, particularly our farmers who have made it possible for us to be virtually self-sufficient in food, putting behind them the bitterness and divisions which plagued our people in the period leading to independence. Kenyans have adopted a degree of political maturity that has already resulted in welding together diverse ethnic, racial and religious communities into one strong united nation.

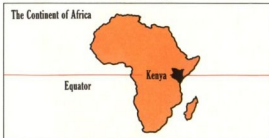
We have been lucky in having had a far-sighted founding father, our first President, Mzee Jomo Kenyatta. He laid the foundations of a process of government which has enabled us to develop our current stability, without which the great strides we have made in various fields would have been impossible. We continue to build on these firm foundations, as we prepare to meet the enormous challenges which still lie ahead of us in the great task of nation building.

I wish, however, to acknowledge the debt of gratitude which we owe our friends abroad for our successes. Long before independence there were many in Europe, Asia, America and our own Continent, who supported us in our just struggle against colonialism.

This commitment to our future well being by various individuals all over the world set the stage for the considerable assistance which Kenya has received from the international donor community since independence.

I am happy to say that we have in these first twenty-five years of independence justified the trust which the international donor community has placed in us. We have used foreign aid efficiently and tried as best we could to ensure that the benefits of aid and development reached those who needed them most.

In addition to encouraging foreign aid, we have encouraged foreign investment in Kenya. Our laws protect such investment and ensure repatriation of lawfully generated profits by foreign investors. Our government has proved a good and reliable joint partner in many industrial projects in which foreign entrepreneurs have taken interest. We shall continue to expand this co-operation, for as history shows, the world is inter-dependent and no single nation can make much progress without help from others.



Anniversaries, such as our silver jubilee, are occasions for celebrations. But they should also serve as opportunities for addressing the challenges which the future poses. Our country has a young population. Half of our people are under 15. There is a tremendous task ahead of us in providing for this generation of Kenyans and their children and grand children. It is not merely a matter of the statistical implications of a fast growing population. We will have to face an increasingly hostile international economic climate, with a rising burden of debt repayment and rising barriers of protectionism being placed on us by some major trading partners.

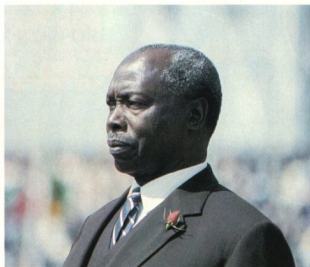
But we are not daunted by these challenges. In Africa, we intend to work hand in hand with our brothers and sisters on the Continent to strengthen economic links that we hope will cushion us all against the vicissitudes of the future. At home, we are doing everything possible to reduce population growth rate.

We face challenges on the environmental front too. Less than a quarter of our land is arable. Pressure on the land is posing conservation problems. Lucrative international markets for illicit trade in game trophies is threatening our national parks and game reserves. We have limited resources to deal with this problem, but as custodians of one of the world's greatest areas of wildlife heritage, we

are determined to protect our wildlife and its habitat not only for our own posterity but for mankind as a whole. We hope that in this noble task, the rest of the world will join us and help to battle not only against poachers and their middlemen in Kenya, but also against the end buyers of illicitly acquired game trophies.

As we celebrate our own independence, we Kenyans are ever conscious of the fact that freedom is denied millions of people living in Southern Africa. States that neighbor South Africa are constantly subjected to destabilization by South Africa. The Government of Kenya intends to work with all those concerned about ending the evil system of apartheid in South Africa and the civil strife it has engendered in neighboring countries. In this, as in all other aspects of international relations, we believe that good will, justice and a commitment to the principles of peaceful co-existence among nations are the best way of ensuring a better future for mankind.

Daniel T. arap Moi
President of the Republic of Kenya



KENYA BUILDS ON STABILITY RECORD

KENYA
Special Advertising Section



Moi's presidency.

The theme for Kenya's 25th anniversary of independence celebrations on 12 December 1988 is "beyond frontier" – a recognition that the nation has evolved quickly and confidently during the first decade of Daniel arap

Moi's presidency. Consider these factors. Kenya possesses a stable economy, strong political leadership and a competent civil service. The transition period following the death in 1978 of President Jomo Kenyatta, leader of the independence struggle, was achieved without trauma. Peace and prosperity have become a reality not an illusion during the past 10 years.

It was, therefore, in sunshine mood that Kenyans also celebrated the 10th anniversary of President Moi's leadership on 14 October and will be marking the Silver Jubilee of independence in similar vein.

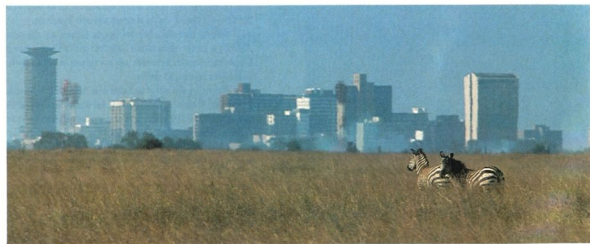
They can take heart from the fact that Kenya is today among the top 10 countries with the fastest growing economies in Africa and is number one among the five states with the best performing agricultural sector. This

to Gross Domestic Product ratio of 24% by the year 2000. These clear economic targets give confidence to multinational companies and help create a climate for inward investment.

The economy has also weathered hard times in the past decade, including drought, but has managed, nevertheless, to adhere to agreed targets. During the first 10 years of President Moi's leadership, the industrial sector improved from a total of 429 large scale manufacturers to more than 600.

Development of education has been a special priority for President Moi who worked as a teacher as a young man. When he became president, there was only one university – the University of Nairobi, which then enrolled some 6,000 students. Today there are four universities. Health services have also improved. At independence Kenya had 148 hospitals with 8,700 beds. By 1987 there were 254 hospitals, 282 health centers and 1,535 dispensaries, with a total of 31,356 beds.

Perhaps one of the major achievements during President Moi's term of office is that Kenya is today self-sufficient in food production. To maintain this is going to be one of the major challenges for Kenya in years to come.



endorsement appeared in the July 1988 issues of the respected African Economic Development News which concludes that Kenya's economic outlook is promising, despite the global picture.

A similar vote of confidence has been placed in Kenya by the International Monetary Fund's (IMF's) chief executive Michel Camdessus, who praised the "pragmatic economic policies" pursued by President Moi's government when he visited Kenya in November 1987. Kenya is one of the few Third World countries to have successfully implemented an IMF recommended structural adjustment program – another indication of the pragmatic approach of the country's leaders when faced with pressing problems.

Today, Kenya has earned the reputation of being the best center for foreign investment in Africa, because of its able and skilled workforce, efficient communications, healthy home market and political cohesion. Since independence Kenya has maintained a debt service ratio of about 30% of its exports' value and plans to cut this percentage even further.

In a recent announcement, Kenya's respected Finance Minister Professor George Saitoti said Kenya was committed to achieving a tax revenue

With its high population growth rate, now estimated at 3.9% a year, Kenya's current population of 22 million is expected to reach the 35 million mark by the year 2000.

Agricultural production will have to grow by 4% a year to cope with demand, yet farmers can only hope to cultivate the 8.6 million hectares of Kenya's 44.6 million total which have agricultural potential.

Kenya is not only introducing modern agricultural techniques but has also set up several research institutions aimed at improving yields and eliminating plant disease. Particularly successful have been maize and coffee.

Any introduction to Kenya must explain its two governing principles – a philosophy which guides the nation. The late President Kenyatta introduced to Kenya the spirit of harambee (working together). President Moi has inaugurated the nyayo philosophy which emphasizes "love, peace and unity" as a prerequisite for progress. The blending of nyayo and harambee is the formula for Kenya's proud record of stability and development.



FROM COFFEE TO CARNATIONS

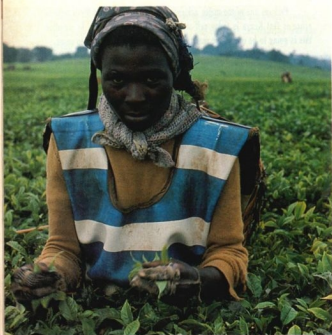


The gentle rolling hills, tree-lined roads and lush area around Kenya's coffee growing region at Ruiru evoke images of New England rather than the movie sets of Out of Africa.

A visitor to the region, less than one hour by road from Nairobi, watches men and women, baskets on backs, slowly weaving through vast fields of waist high bushes gathering valued coffee beans.

Parts of Kenya, notably in the Highlands, are rich and fertile but more than 70% of the nation is arid or semi-arid terrain. Given its limited land resources, it is even more remarkable that Kenya, except for a few difficult years, has managed to feed itself, as well as produce healthy surpluses for export.

Of equal importance, the agricultural sector, which grew 4.8% in 1987, has helped make jobs particularly in country areas where the majority of the population lives.



Agriculture is the backbone of Kenya's economy providing jobs for nearly 70% of workers. Kenya's main cash crop is its high grade Arabica coffee creating a labor intensive activity and the nation's most important hard currency earner. Government development plans envisage output rising 7% a year to 350,000 tonnes by the year 2000.

As well as being a leading exporter of high quality coffee, Kenya is the world's third largest exporter of black tea, with tea loving Great Britain as its main customer. Both commodities are hit by changes in world market prices and because of this farmers can see the need to diversify their crops.

Traditional cultivators already grow sugar cane, wheat, sisal and pyrethrum. In September 1987, the government opened the Tana delta irrigation project's first phase. Eventually this will allow Kenya to grow more than 70,000 tonnes of rice a year, enough to meet home demand and leave extra for export.



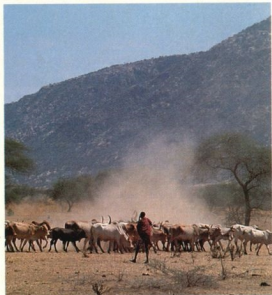
Dairy Industry

Foreign earnings have been boosted in recent years by the dairy industry, a lot of whose output goes to the Middle East. Kenya's market gardeners are also a considerable force – the nation's fourth highest hard currency earner. In 1987 Del Monte of the US shipped 200,000 tonnes of canned pineapple from Kenya.



Sales of vegetables, fruit and flowers overseas are also significant, especially in Europe, whose market for out of season produce is growing fast. Kenyan beans, mangoes, avocados, paw-paw and passion fruit are now found on all European hypermarket shelves.

Flowers are also part of the export drive. From the Lake Naivasha area, Brooke Bond Kenya's subsidiaries Sulmac and Oserian Development Company now sell more than 300 million stems of carnations and other flowers overseas each year. They could sell more but are limited by air freight capacity. The flower gardens cover only 1,000 acres – showing how Kenya achieves success on the small is beautiful principle.



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MUHOHO URGES ACTION ON GAME DECLINE



Wildlife George K. Muhoho points out.

The number of tourists visiting Kenya has doubled in the past five years to reach 662,000 in 1987 but concern about AIDS and fears for the future of wildlife pose challenges for the authorities, as Minister of Tourism &



- Is the decline of Kenya's elephant and rhino population being stemmed?

We have definitely stemmed the decline of the rhino. Last year for the first time since recording started we had more births than deaths of rhinos. In protected areas we are able to follow rhinos almost on an individual basis around the clock. There is a very concerted effort to protect them. With elephants there is a problem. There has been an overall decline in their numbers throughout Africa. The price of ivory, I understand, has more than doubled from \$80 a kilo to \$150 so poachers are more daring. We want to appeal to the world community to join in a global effort to stop the illegal trade. We know we have a serious problem. The first thing to be kept in mind about poaching in Kenya is that it is not done for domestic purposes. When we banned game hunting in 1977 we also banned dealing in trophies. We are very serious about poaching and wildlife conservation. The animals that are threatened are the ones traded internationally. With the coming of the oil boom and with a lot more money available for the purchase of prestige items demand for rhino horn and elephant tusks grew in the Middle East and Far East. Since then we have taken very serious measures and have built sanctuaries for rhinos and have received a lot of support from the international community, including the New York Zoological society, for which we are very grateful. The government is doing everything in its power to combat poaching.



- Has concern about AIDS in this part of the world affected tourism and tour operators?

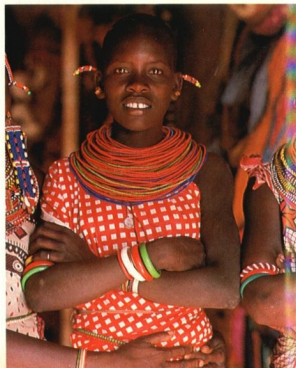
The AIDS scare hit us quite strongly, because of inaccurate reports around the world. A lot of myths have occurred. One is that mosquitos can transmit AIDS. This kind of reporting, particularly in the German press, scared a lot of people. And the bulk of our charter tourists come from West Germany. Statistics and data on numbers with AIDS were also exaggerated and distorted. Last year tourism was rather badly affected around the coastal areas, but the effect was local and we are now over this. Nairobi and the parks enjoyed a tremendous increase in visitors. Overall we still recorded an 18% increase.

- What new areas of tourism are you seeking to develop?

We have 40 national parks and game reserves. So far only a proportion of them have been developed. We are trying to build new circuits for tourists to spread their wealth around the country. This will give more variety to the tourists and take pressure off those very frequented national parks and game reserves. So we are trying to develop a northern circuit around Lake Turkana. The road network is already developed up to the Sudan Border. Then we have the western circuit which we want to improve linking Masai Mara with Lake Victoria. There is a lot of potential for water sports and fishing. These are completely new areas which we have not exploited.

- Is tourism now Kenya's most important industry?

Obviously Kenya has been an agricultural country and will remain so in orientation. But tourism is also very important because the capital investment is so small. One is trading in a commodity that already exists, a natural resource that we possess. We do not have to spend foreign exchange on improving beaches or game parks. So in terms of net earnings tourism is still our cheapest industry. I believe that unless we discover oil or some other minerals tourism will overtake every other sector in terms of income. However we are planning as we develop and do not intend to let the sector grow haphazardly as in some other countries. We see a big future ahead.



TOURISTS ENJOY WILDLIFE SPECTACLE



Dusk falls. The fierce African heat still lingers in the air around a game lodge at the isolated northerly Samburu national park.

Visitors have washed away caked dust from bumpy bush rides in 4x4 drive vehicles and sip a cocktail before enjoying a cook-out dinner. They gaze across the silent waters of the Vasa Ng'iro river, spotting an alligator basking, then a leopard tearing at morsels left by lodge staff on the opposite river bank.

The guest logbook shows the tourists have spotted and photographed lion, cheetah, elephant, giraffe, oryx, zebra and a dozen other species. This is the timeless Kenya of stillness, rugged beauty, dramatic variety and majestic wildlife. Visitors are willing to travel half a world to be thrilled for years afterwards by memories of Africa.

Few realize the idyll is threatened by an erosion of wildlife's natural habitats from new settlements, drought and most ominously poachers.

The conservation issue has become a major topic both at international level and in Kenya where the government and society believe crisis point has been reached.

Finance Minister Professor George Saitoti says bleakly: "Poaching must be stamped out to save our animals."



Conservation Policies



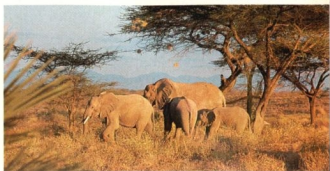
The government in an effort to stop poachers has recently announced the suspension of all mining and prospecting in game reserves. President Moi has also authorized a shoot on sight policy following the murder of three rangers by ivory poachers in Kora national reserve.

The problem particularly concerns the black rhino, whose numbers have declined in eight years from 1,500 to 500. Thousands of elephant have died from starvation or been slaughtered in the past 15 years. Elephant numbers in Kenya are now put at 24,000 by Dr Perez Olindo, director of Kenya's Wildlife Conservation & Management Department. But the real point, he says, is not numbers but their rate of decline.

Throughout Africa the elephant has been in decline for 100 years. Elephants, says Dr Olindo, can wander hundreds of miles and the biggest reason for their falling numbers has been habitat destruction and a reduction of their rangeland. There is no easy solution while the poachers are at large. Success has, however, been achieved in increasing the numbers of rhino, a more territorial minded species which can be protected in sanctuaries. "We have had problems," Dr Olindo admits, "but they are not as acute or as bad as others in Africa. Our relative stability accounts in part for our better record." Dr Olindo was awarded the 1988 J Paul Getty Wildlife Conservation Prize but wildlife conservation is taken seriously by all Kenyans.

KENYA

Special Advertising Section



Save the Rhino

Michael Werikhe has made it a personal crusade to help foster worldwide interest in preserving wildlife, particularly the rhino. In September, Werikhe, a 32-year-old security supervisor in Mombassa, completed a 2,800 kilometer walk from Assisi in Italy to England in what he described as "a silent demonstration to the world that we in Kenya are not as destructive and see wildlife issues in the same way as others."

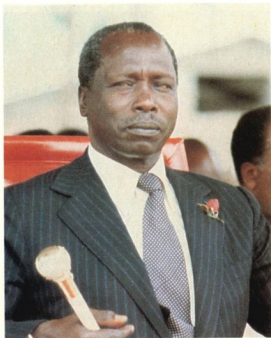
Softly spoken Werikhe has a powerful message for those willing to listen. "The problem facing the rhino in Africa is a global one. World support is needed. Nature belongs to all of us and we need collectively to take care of it," he says.

Alerting young Kenyans to the conservation challenge is important and more than 1,000 wildlife clubs exist in Kenyan schools.

At Mount Kenya Game Ranch's animal orphanage the head keeper Nelson Muhoro and his colleagues care for a wide range of animals rescued from the wild and also have Africa's only captive breeding herd of bongo antelope. Nearby the William Holden Wildlife Education Center has been established, with prestigious US patronage, to provide study and accommodation places for school children and their teachers in memory of the late American actor.

It is a development which will help the youth of Kenya, who have enjoyed the fruits of independence, to appreciate both their rich heritage as well as responsibilities towards threatened species.





President Daniel arap Moi has earned international admiration for Kenya's achievements against the back drop of global recession. It seemed to some observers when President Jomo Kenyatta died in 1978 that Mzee (the old man) would be a hard act to follow. Although Kenyatta's passing was the end of an era there proved to be no break in the policies which have seen rising prosperity in the past decade. Indeed President Moi now commands as much public affection as was ever accorded to the nation's first post independence leader.

The results of the arap Moi decade include thriving agriculture and industry, a growing services sector, expanding tourism and a cosmopolitan and open social environment encouraging the growth of a Kenyan middle class.



KENYA SALUTES A

The capital Nairobi has grown from a small colonial town after independence to a robust and vibrant metropolis of 1 million people. Now the largest city in East Africa, Nairobi is a leading international convention center and also houses government, business and universities, providing a sophisticated cultural infrastructure enjoyed by both Kenyans and expatriates alike.

In common with his predecessor, President Moi has encouraged business and foreign investment as the best future for Kenya. The nation's development plan for the latter part of the 1980s has emphasized the theme that "growth in the private sector is the core of the development process."

Building One Nation

President Moi was born at Sacho in the Baringo district of Rift Valley Province in 1924 and received a traditional Christian missionary education. His early career as a teacher has enabled President Moi to empathize with the nation's youth. Some 40% of the budget goes on education – an appropriate priority since the population will double in 17 years time.

During the colonial period, President Moi became minister of education in 1961 and later minister of local government. After independence in 1963, he joined Kenyatta's ruling party and was first minister for home affairs and then vice-president from 1967. President Moi was rewarded by being made Kenyatta's preferred successor although he was unfortunate in coming to office at a time when Kenya's rapid economic growth had faltered due mainly to the international financial situation. He had also to face the task of bringing about a greater sense of national pride and unity among Kenya's diverse communities.



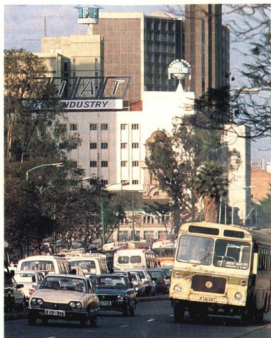
Stability brings Progress

The key factor in President Moi's success story was astute handling of political opposition in his first five years. By a combination of firmness and mercy the President kept the lid on divergent groups while allowing time for his economic program to bite. The appointment of Lieut. Gen. Haji Mohammed as chief of staff in July 1986 was part of a wider military reorganization aimed at ensuring the loyalty of the armed forces at all levels.

By 1985 Kenya as a whole was self-sufficient in food, despite set backs caused by three years of drought. Food supplies from the more fertile

RAP MOI DECADE

districts were diverted to areas badly hit by prolonged famine. The government's close adherence to the stabilization program prepared by the IMF maintained economic growth and brought about a cut in the trade deficit, along with a proportionate fall in the rate of inflation. These benefits, coupled with a decline in world petroleum prices and an improvement in the price paid for coffee, the nation's main export earner, allowed Kenya to look forward again to a favorable balance of trade.



One independent witness of the rap Moi decade is Inter-Continental Hotels area president for Africa and the Middle East Alexander Furrer who has lived in Kenya for 15 years. Swiss-born Furrer points to the country's "very friendly government and people," expressing the view that there is great potential for expansion of tourism.



President Moi (center) with African leaders who celebrated with him the Nyayo Decade. They are (from left) Presidents Ali Mwinyi of Tanzania, Jévréal Habyarimana of Rwanda, Kenneth Kuanda of Zambia, Siad Barre of Somalia, Robert Mugabe of Zimbabwe and Joaquim Chissano of Mozambique.

Friendship across Africa

Since independence Kenya has concentrated on its own affairs and development while seeking to maintain good relations with its neighbors.

A cornerstone of President Moi's policy is the maintenance of peace and removal of any dangers to stability. It has been encouraged by the President's travels within the region to work for an "environment of good neighborliness," says Bethuel Kiplagat, permanent secretary at the Ministry of Foreign Affairs.

He says: "Despite a lack of resources Kenya has a well managed economy - a fact emphasized by the continued presence of major multinational companies in Kenya since independence. We offer an efficient headquarters for trade with other parts of the region."

"The country's well developed infrastructure assists business administration and combined with a pleasing climate, social life and leisure facilities also make a conducive and stimulating base from where to conduct business."

"Another attraction for the private sector is the willing co-operation of government which stresses a mixed economy with pragmatic policies. It is a policy of positive support to the private sector that will remain unchanged," says Kiplagat.

Bridges to the West

Similar views of confidence are expressed by others. During a recent visit British Foreign Secretary Sir Geoffrey Howe said: "The national motto Harambee is not just a call to unity of effort. It symbolizes Kenya's determination to put the interests of its people ahead of ideology." Among western nations Kenya's strongest ties are with the United Kingdom and the United States to which President Moi paid state visits in 1987.

As a responsible member of the international community of nations Kenya, with its non-aligned policies and commitment to world peace, continues to strive to build a society that is both politically stable and tolerant, as well as being a model for others in the developing world.



INDUSTRY'S WINDOW ON AFRICA

KENYA

Special Advertising Section



The "Made in Kenya" label is appearing on a growing variety of goods and commodities found in global markets, as exporting takes over from import substitution as top priority for manufacturers.

In the first 15 years of independence, Kenya managed an average growth of 9.5% in its manufacturing sector. Industries include metal products, pharmaceuticals, chemicals, detergents, cement, timber mills, textiles, clothing, food and tobacco processing, soft drinks, canning, brewing and vehicle assembly. An estimated 85% of consumer requirements are home made.

The aim is to encourage sales overseas and to other Black African states to both generate foreign earnings and create jobs for a well educated young population. The Kenya Association of Manufacturers' director Silas Ita says industry will be a major factor in future national development and considers that manufacturing will take over from agriculture as the country's most important economic activity.

There will be a substantial role for multinational companies, forecasts Ita, who points to a wide range of such groups, including Lonrho, General Motors, BAT, Leyland, Unilever and Hoescht, that are already well established.

From a base that provides sophisticated infrastructure, motivated and trained workforces, as well as political and financial stability, Kenya is a window on the wider African market, particularly the countries covered by the Preferential Trade Agreement which adds up to a market of 160 million people.

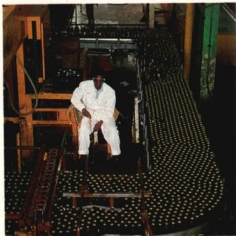
"Foreign companies are also guaranteed that they can repatriate their profits and have full compensation for loss of assets. Investors also have the advantage of an established private sector base that flourishes in Kenya combined with a pragmatic business atmosphere," says Ita.



Kenya has a big requirement for motor transport. Vehicle assembly takes place at Thika, Nairobi and at Mombassa where Associated Vehicle Assemblers (AVA) has the largest operation assembling a range of models and makes for Nissan, Toyota, Peugeot, Mercedes, Volvo, Mitsubishi, Daf, Daihatsu, Volkswagen, Subaru and Honda.

AVA's range is greater than any other assembly plant in the world. Since operations began in 1977 more than 55,000 vehicles have been made, 9,500 of them in the past year alone.

Up to 30 locally manufactured components and materials are included in AVA-built vehicles all of which are specifically built with regional driving conditions in mind. Plans are being formulated for in-house production of vehicle components at the Mombassa plant which employs 680 people. AVA executives consider that the company's technical ability is such that manufacture of a wholly Kenyan vehicle is now feasible and research is presently being done.



Beer for Export

Other industries are also looking beyond the domestic market. One product that is becoming increasingly well known in a highly competitive international market is Tusker Premium, the export lager beer produced by Kenya Breweries. Tusker has already made a considerable impact in the US since it was launched as a special beer three years ago. Discerning palates across America and in Europe are taking to the high gravity lager in a big way and it is hoped to increase its marketing further to include Switzerland, West Germany and Japan.

Kenya Breweries is one of the largest private employers and has been at the forefront of Kenya's management indigenization program. In large measure this has resulted from the efforts of chairman Brian Hobson who was among the first white Kenyans to opt for citizenship at independence. This has resulted in virtually all Kenya Breweries' key technical management posts being filled by highly qualified Kenyans including production director Michael Karanja, a graduate of Scotland's Herriot Watt university, whose signature appears on Tusker beer labels.



BANKING ON KENYAN ACUMEN

KENYA

Special Advertising Section



Patient efforts to lay solid foundations for a locally-owned and managed financial services industry have paid dividends for Kenya. The cautious progress of the past 25 years is seeing Nairobi develop as the financial center of English-speaking Black Africa.

At independence the government made it a priority to indigenize banking. The measure of the achievement is that from a limited base run by expatriates Kenya's financial sector today employs some 30,000 people almost all of them Kenyan. The largest employer Kenya Commercial Bank (KCB) has 3,453 staff, only two of whom are non-citizens.

Nairobi hosts most of the headquarters for Kenya's 20 banks and 40 financial houses, as well as building societies and co-operatives. The office towers on Kenyatta Avenue and other boulevards in Kenya's modern and flourishing business city are but one sign of the new depth of financial sophistication.

KCB chairman Benjamin Kipkorir comments: "A wide branch network has stimulated the national economy by spreading the savings habit throughout the country."


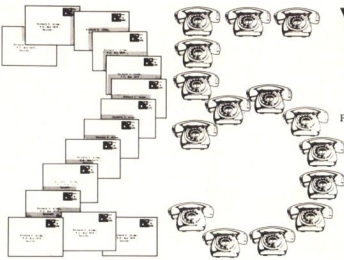

Expansion has not been at the cost of profitability. KCB and other banks have performed well during periods of strain on the national economy caused by fluctuations in world prices for coffee and tea.

Skilful measures introduced to control money supply and reduce inflationary pressures in the past two years have still left room for banking growth. Barclays Bank of Kenya (BBK) and KCB both achieved record profits and increases in deposits in 1987 while National Bank of Kenya and Commercial Bank of Africa also saw major growth in their deposits and profits.

There is great local interest in the sector at present. State-owned National Bank of Kenya is soon expected to offer 30% of its equity to the public following a similar flotation in 1988 by KCB. The move had followed a sale of 30% of BBK's equity two years earlier. Both issues have been a resounding success. The BBK sale, worth \$12 million, was six times oversubscribed.

KCB's share issue, represented Kenya's largest ever share issue and was restricted entirely to wanjachi (the ordinary citizen). It is a remarkable comment on the maturity of Kenya that the 7.5 million shares were oversubscribed by a factor of more than 3.25.




YEARS OF UHURU

For the last 25 years, Kenya has enjoyed peace and prosperity which has greatly boosted the rate of development. Communication is a vital aspect and we have increasingly devoted our efforts towards improving our facilities to ensure that a reliable and efficient communication system is readily available to all Kenyans. Kenya Posts and Telecommunications Corporation wish to convey their congratulations to

H.E. President Daniel T. arap Moi
CGH, MP, Commander-in-Chief of the
Armed Forces and the People of Kenya on the
occasion of the Silver Jubilee of Independence.

Kenya Posts & Telecommunications Corporation

"Keeping you in touch worldwide"



TAC/MPIC



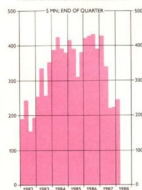
Going International

Kipkorir comments: "We recognize that we are operating in a highly competitive environment not only in Kenya but also in the world at large. We are faced with the challenges of modernization and of the constant need to improve our services." KCB has already computerized customer accounts at 67 of its branches and is currently considering introducing automated teller machines at selected locations. In other recent moves Standard Chartered Bank of Kenya and BBK have introduced cheque guarantee cards.

The sector's development is not only at home. In October 1988, KCB opened its first overseas representative office, in London, in a move to establish itself in strategic world trade centers. The office was first planned five years ago.

Nairobi's stock exchange, meanwhile, is likely to be boosted through more share issues by parastatal organizations. More than 50 companies' shares are actively traded but there is room for more. Stock Exchange chairman Ngenye Kariuki believes the market has "unlimited potential." It will be encouraged by a government which believes in capitalist principles and wider share ownership.

FOREIGN EXCHANGE RESERVES

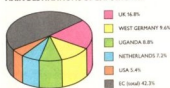


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PRINCIPAL EXPORTS 1987



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KENYA

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LOOKING AHEAD WITH CONFIDENCE

The record annual growth rate over the past four years has put Kenya into top gear. Western donors meeting in Paris in October backed this success story to the tune of \$1.1 billion in development aid for 1989. The pledges, from 20 countries and agencies, added up to the biggest amount ever offered in a single year since independence.

Finance Minister Professor George Saitoti said: "The donors commended us for our success in controlling inflationary pressures to under 10%, as well as our success in maintaining a positive interest rate structure and a flexible exchange rate."

He said the donors appreciated government efforts in encouraging the private sector to take a leading role in the country and agreed with the various incentives which government had made available for investors.

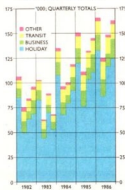
Kenya has recorded an average annual growth rate of 4% over the past four years, keeping pace with population increase, and has been implementing adjustment programs in agriculture and industry. Forecast growth rate for this year is 5.4%.

At the Paris meeting Professor Saitoti was accompanied by the Minister for Foreign Affairs & International Cooperation Dr Robert Ouko. He was at pains to stress that Kenya has not been to the meeting with donors, because of any doubts about its ability to meet international commitments. The minister said Kenya's credit rating was good and because of this donor countries had pledged a record level of aid. "Kenya has not defaulted," he added.

In December Kenya will unveil its Sixth Development Plan, a forward looking document, which will provide a blueprint for the country's progress. The youth of the country will be a major priority. By 1983 100% of primary school enrolment had been achieved. Well over 500,000 children attend secondary school and the roll call is growing by 12.5% a year.

The ambitious plans that have been set for all sectors are not just theoretical strategies but attainable targets for a country that is already enjoying the fruits of perseverance, patience and hard work after a decade of stability and 25 years of independence.

VISITORS' DEPARTURES



FOREIGN INVESTORS ARE WELCOME SAYS OUKO

KENYA
Special Advertising Section

The welcome found by foreign investors in Kenya is the result of hard work by government officials in both creating a business-like atmosphere and promoting the country's image approach. In this interview Foreign Affairs & International Cooperation Minister Robert Ouko throws light on current initiatives.

- What are the main challenges facing Kenya in the next decade?

First to find jobs for Kenya's workforce which it is estimated will rise from 6-7 million to 14 million by the year 2000. Second to provide adequate balanced food for our population of 22 million which it is expected will be 35 million by 2000. Third to provide social amenities for a young population, half of whom are under 16 years old. Then we face the task of maintaining an economic growth rate of 5% a year, against a backdrop of an unstable global economy.

- What directions is Kenya likely to follow in its next development plan?

In the Sixth Development Plan we have deviated slightly from past approaches in that we are addressing issues, rather than making projections. We are adopting an integrated approach, whether it be for agriculture, industry or development of rural infrastructure. That is why in our Paris talks we urged the donor community to concentrate more on program assistance than projects.

- What specifically is the relationship between Kenya and the donor countries?

They were impressed, and said so, with the consistency of Kenya's policies, the efficiency with which Kenya has sought to implement its economic plans, as well as the openness with which Kenya has acknowledged difficulties standing in the way of their implementation. Our priorities met with their approval.

- What does Kenya offer to the foreign investor?

We would like to think that it is an opportunity unparalleled elsewhere. The climate is excellent. The country has enjoyed uninterrupted peace and stability. It all constitutes a very favorable milieu in which an investor can work. The constitution gives protection of a kind that is hard to find elsewhere with courts of law standing ready to come to the aid of anyone who feels aggrieved. Kenya has not expropriated anybody's property and is not going to do so. We will remain a private enterprise economy in which the private investor is given maximum leeway to do the job. The government has given a firm undertaking to investors that they will be able to repatriate what they are permitted by law to do.

- How important is the growth of manufacturing in Kenya?

It is the fastest growing sector in the economy and its contribution is considerable. We have adopted certain policy instruments to increase the growth rate. We have developed a one stop center for prospective investors, compared to past practices when they were kept waiting for months, even years, to find out what opportunities existed and incentives were provided. Within three months at the outside they will now be able to get all relevant information. We have also promoted manufacturing in bond. Finally we have amended the Foreign Investment Protection Act to offer greater incentives and protection to foreign investors.



- What store do you set on trade within the Preferential Trade Agreement (PTA) countries in Africa?

Increased trade we hope will create greater demand for Kenyan goods and greater manufacturing output and jobs. It is also important because its success will give a fillip to similar economic groupings in other parts of Africa. This is in keeping with a wider plan to assist in the creation, in the end, of an African Common Market.

- Do you consider that the outside world has any false perceptions about Kenya?

I think the world has been fed on untruths, particularly concerning the human rights issue. I want to assure the international community that Kenya has a clean record on human rights issues. There have been cases of people who declare that they want to overthrow the legitimately elected government of Kenya. The government, however, governs in the interests of the majority. And in Kenya the vast majority of people are peace loving. The government has meticulously gone back to the electorate every five years, as required by the constitution, to seek a new mandate. On five occasions a new mandate has been provided. We believe that 25 years is a long enough time to enable a sober country like Kenya to assess certain aspects of the constitution which have either grown out of step with the social aspirations of the people or have just become obsolete or inconsistent with the wishes of the people. We have followed to the letter the requirements of the constitution itself in carrying out amendments.

BY ROAD, AIR AND SEA



A land of spectacular variety, bisected by the equator, Kenya's total area of 580,367 square kilometers is greater than either France or Spain. Yet despite its huge land area Kenya, which borders Somalia to the East, Ethiopia and Sudan to the north, Tanzania to the south and Uganda and Lake Victoria to its west, has today few places which are inaccessible.

This is due to a sustained investment to provide and maintain a comprehensive transportation system embracing road, rail and air services. Some 52,000 kilometers of classified roads exist, including more than 6,500 kilometers of surfaced road, linking major centers. Kenya Railways, presently engaged on a major modernization program, operates 2,733 kilometers of track.

Nairobi's Jomo Kenyatta International Airport, opened in 1978, is one of the busiest and most modern in Africa and, together with Mombassa's Moi International Airport, provides extensive air transport links with the rest of the world both for passengers and an increasingly important export air freight traffic.



KENYA

Special Advertising Section

Kenya Airways the national carrier has an extensive scheduled network. Operating a fleet that includes two Airbus A310 - 300s, two Boeing 707s, a 720 and a Douglas DC9 as well as two Fokker F-27s Kenya Airways operates internally to Mombassa, Malindi and Kisumu.

Port Expansion

Efficient transport of goods, as well as reliable passenger services, are



vital to Kenya's economy and Mombassa provides for this in strong measure. In recent years the city has become a growing tourist air charter destination. Nevertheless the city's principal commercial feature is its international seaport the most important of East Africa.

Used for centuries by ocean going dhows from India, the Gulf and Far East today Mombassa accommodates ships of all types and nationalities. Between

75 - 80 vessels a month now dock at the port which provides 16 deep water berths.



The pride of Africa

The Airbus cruises past the slopes of Mount Kenya. Another day begins as the Kenya Airways Airbus A310-300 turns gently towards Europe.

In the wide-bodied cabin, passengers are taking advantage of the Airbus's unique combination of comfort, quietness and refinement.

In the cargo hold, valuable consignments speed towards their markets, thanks to the Airbus's unique carrying capacity.

But amongst the new, there's something that never changes.

The warmth of our welcome the moment you step aboard.

And that gives us the greatest pride of all.



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INTER-CONTINENTAL HOTELS SALUTE KENYA'S ACHIEVEMENTS

Following twenty five years of independence Kenya can be proud of its achievements.

Today it's a country which plays a major role in the world of international business as well as having a highly successful tourist industry.

With three of the leading hotels in Kenya, Inter-Continental are proud to have played a key part in this development.

Again and again we welcome back business executives and tourists from all over the world to our two Inter-Continental hotels in Nairobi and our superb resort hotel in Mombasa.

So next time you visit Kenya whether for business or pleasure we offer you a choice of the finest hotels in East Africa.

Nairobi: Hotel Inter-Continental: Tel: 335550; Telex: 22631; Fax: 337458 Nairobi Safari Club: Tel: 330621; Telex: 25391/25360 **Mombasa:** Hotel Inter-Continental: Tel: 485811; Telex: 21153.



INTER-CONTINENTAL AGAIN AND AGAIN

Other fine Inter-Continental Hotels in Africa:

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HOW KENYA DIALS THE WORLD

KENYA
Special Advertising Section



Of all Kenya's strategic investment decisions none has had greater impact than telecommunications. Its most potent symbol is the satellite earth station complex at Longonot, 70 kilometers north west of Nairobi. Longonot was opened in 1970, connecting up to Itelsat's Indian Ocean and Atlantic communications satellites.

Its links replaced the limited high frequency radio on which Kenya previously depended for its international communications and became the basis for a telecommunications system which now rates as one of the best and most advanced in the developing world.

The accessibility of reliable telecommunications to all is witnessed in the frequent use of public payphones, including cardphones in Nairobi's busy thoroughfares and the ease with which worldwide calls can be made from the same phones, as well as offices and hotel rooms.

Subscriber trunk dialling is possible between all main domestic centers and the area covered is under continual expansion. Since 1984 subscribers in Nairobi, Mombassa and Nakuru have been able to dial direct overseas.

Statistics show the depth of commitment to telecommunications investment with telephone installations per 100 of population growing by an average of 8.2% a year between 1977-87 from an average of one per 100 to 1.45 per 100. The achievement is exceptional given that Kenya's population increased 3.8% over the same period. Growth is set to continue and by 1993 telephone installations are expected to average 2.7 per 100 of population one of the highest ratios anywhere in the developing world.



Digital Exchanges



Much of Kenya Posts & Telecommunications Corporation's current development program relates to installation of the latest digital exchanges. The country's first digital exchange became operational in 1986. By the end of 1993 digital switching will represent 64% of installed exchange capacity. This will give Kenya's telecommunications system an advanced technical foundation and allow the exploitation of the most modern services available including packet switching for data networks, video conferencing, electronic mail, telefax as well as the revolutionary Integrated Services Digital Network (ISDN) concepts.



GOING FOR GOLD



Kenya's golden triumph at the 1988 Seoul Olympic Games has once again surprised the world of sport and underlined her track record in producing outstanding athletes.

The 800 meters title came first, to 21-year-old Paul Ereng; then the 3,000 meters steeplechase gold was won by Julius Kariuki. The cheering was hardly over when John Ngugi led a world class 5,000 meters field to become the new Olympic champion. His win was followed by another outstanding gold medal performance by Peter Rono in the 1,500 meters.

Their names and those of other Kenya medal winners in Seoul join an illustrious roll call of Kenyan sportsmen, such as Kipchoge Keino, Mike Boit and Henry Rono who have done so much to project a positive image of Kenya and of Black Africa in the past 20 years.

Section co-ordinated by Norbert Manywa, Nairobi

Written by Anthony Richard

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TIME/DECEMBER 12, 1988

Paint the Town Red

Mikhail Gorbachev's visit to New York, from the U.N. to Broadway, will test George Bush on his home turf—and on the world stage

BY STROBE TALBOTT

Here he comes again, with those linebacker's eyes and that tight smile that hides the iron teeth. Mikhail Gorbachev is due to arrive in New York City this week for a big meeting (the United Nations General Assembly) and a small one (lunch with Ronald Reagan and George Bush). Both events are likely to underscore the challenge that Bush faces as he sets about to recapture the ground that the U.S. has lost to the man from Moscow in the arena of international public opinion.

The incipient Administration's foreign policy is already off to a good start. Bush's appointments of James Baker as Secretary of State, Brent Scowcroft as National Security Adviser and Nicholas Brady as Treasury Secretary have generally been well received, both at home and abroad, and the public statements from the President-elect himself on defense and diplomacy have reflected his considerable experience in those fields.

This week the hard part begins when Bush sits down with Gorbachev in a Coast Guard admiral's mansion on Governors Island, a site in New York harbor that was picked for security reasons. In proposing the meeting, Gorbachev said he wanted to dramatize his hope for continuity in Soviet-American relations. But no doubt he also wants to use the meeting to remind the world that his own foreign policy is up and running, while the U.S. is only just recovering from a distracting and unifying presidential race.

For much of the past year, candidates in both parties vied over who would be best able to "sit across the table from Gorbachev." Now the winner will have to do so sooner than he would have preferred. On issues where he may prove more flexible than Reagan—such as the Strategic Defense Initiative and a compromise in Central America—Bush does not want to seem to be breaking ranks before he is even inaugurated. Therefore the Vice President would rather have stayed in Washington this week, and he resisted the Soviets' request for a separate, one-on-one meeting.

Gorbachev knows that neither the lame-duck President nor the President-elect is in a position to transact much meaningful business. That will give the Soviet leader an ideal opportunity to float bold ideas, then sit back and watch as the two Americans respond tentatively, if not defensively.

Gorbachev has long since demonstrated a potent blend of statesmanship and showmanship. He is a natural at working the crowds and attracting attention, as his schedule this week demonstrates. In the capital of capitalism, the world's top Communist will tour Trump Tower, the Metropolitan Museum of Art and perhaps the New York Stock Exchange. As the Secret Service and New York City police department prepared for Gorbachev's arrival, they were terrified that he would leap from his limousine on Wall Street, on Broadway or along Fifth Avenue to press the flesh, just as he did outside a power-lunch restaurant in Washington a year ago.

The Soviet leader uses his more formal appearances to dispense imaginative, if often gimmicky and one-sided, proposals for disarmament and the settlement of regional conflicts, along with reassuring lectures about "new thinking," "global interdependence" and "mutual security." Those slogans are sure to fig-

ure in Gorbachev's address to the U.N. this week, which Soviet officials expected would reiterate the Soviet Union's commitment to withdraw its troops from Afghanistan, help bring peace to Angola and Kampuchea, and support the U.N.'s



efforts in the Western Sahara, the Persian Gulf and the Middle East.

From New York, Gorbachev will fly to Havana. Soviet spokesmen at the U.N. and in Moscow stress that his main purpose there will be more remonstrative than comradely. Fidel Castro has been openly skeptical about the new line coming out of Moscow and unrepentant about the export of revolution to Latin America and Africa. Since the Soviet Union provides \$5 billion in aid to Cuba annually, Gorbachev will tell him to get with the program of new thinking.

By alternating soothing words to an audience of pinstripes at the U.N. with tough talk to a pistol-packing, fatigues-clad troublemaker in Havana, Gorbachev is trying to demonstrate that he is a kinder, gentler U.S.S.R. that is now in the business of providing diplomatic solutions to the world's many military problems.

Gorbachev has been able to turn the tables on the U.S., making America seem reactive, unimaginative, even recalcitrant

However shaky its basis in fact, the Soviet campaign has been working. Gorbachev, says a senior U.S. diplomat at the U.N., "has single-handedly made the Soviet Union internationally respectable."

Gorbachev's success in recasting the U.S.S.R. as an international good guy is frustrating to many Americans. "It is ironic," says Robert Legvold, a Soviet-affairs expert at Columbia University, "considering that much of what Gorbachev has done the West has advocated,

proposed, insisted on for decades—from human rights to arms control."

Still, it is part of Gorbachev's genius that he not only gets credit for saying *da*—after decades of *nyets* coming out of Moscow—but he also has been able to turn the tables on the U.S., making American diplomacy seem reactive, unimaginative, even recalcitrant. Mired in "old thinking," the U.S. has been on the defensive at the U.N. of late, especially in the wake of Secretary of State

George Shultz's refusal to grant a visa that would have permitted Palestine Liberation Organization Chairman Yasser Arafat to address the world body at its headquarters on the East River.

Gorbachev will be the first Soviet Communist Party leader to address the U.N. since 1960, when Nikita Khrushchev created an uproar by brandishing his shoe, pounding his fist and hurling insults. Gorbachev's sclerotic predecessors, Konstantin Chernenko, Yuri Andropov and Leonid Brezhnev in his last years, were too often tethered to life-support systems to venture much abroad.

For his part, Gorbachev has already traveled to Geneva, Reykjavik and Washington to meet Ronald Reagan and has made visits to Paris, London and New Delhi, as well as the "fraternal countries" of Eastern Europe. Next year he is expected to go back to France, visit West Germany for the first time and travel to Beijing for the first summit between Soviet and Chinese leaders since 1959.

One reason the Kremlin boss keeps boarding his customized Aeroflot Ilyushin Il-62 and winging off to foreign parts is that he has serious, apparently growing troubles at home. In recent weeks there have been bloody riots in the Caucasus and protests along the Baltic. At a special session of the Supreme Soviet, a few deputies to the traditionally rubber-stamp parliament took *glasnost* and democratization seriously enough to vote against some of Gorbachev's reforms. These difficulties give Gorbachev two reasons to keep hitting the diplomatic high road: he must reduce international tensions if he is to devote more resources to internal restructuring, and he needs a demonstrably successful foreign policy to compensate for the setbacks to his domestic program.

His visit to the U.N. continues what is already the longest, most peripatetic and most widely applauded Soviet peace offensive ever. A Harris poll in Britain two weeks ago found that Gorbachev beat Reagan almost 2 to 1 as the most admired foreign leader. Asked whether Gorbachev or Bush would make a greater contribution to world peace, 60% named the Russian, only 18% the American.

A West German public-opinion poll in late October showed that Gorbachev had a significantly higher approval rat-

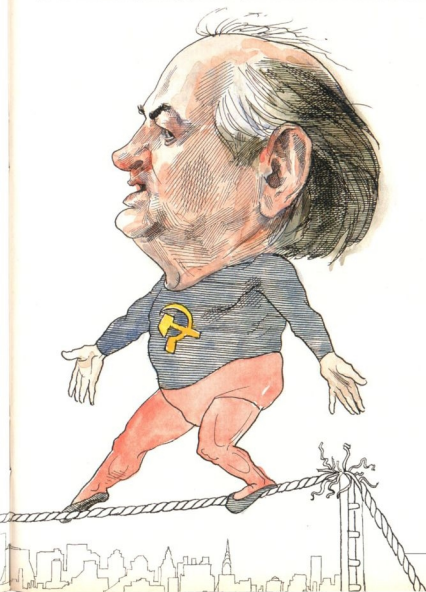


ILLUSTRATION BY JIM HARRIS FOR THE NEW YORK TIMES

ing than Reagan, 84% to 53%. The same survey found that just 24% of West Germans feared attack from the Soviet Union, compared with 46% five years earlier.

The Soviet p.r. blitz has also had an impact at the other end of the Eurasian landmass, in South Korea. The South Koreans were ecstatic that even though Moscow and Seoul have no diplomatic relations, the U.S.S.R. sent its team to the Olympics in September and the Bol-

shoi Ballet to an arts festival. South Korean officials give Moscow credit for using its clout in North Korea to keep the militant Communist regime there from starting a new war on the peninsula. With a mild wave of anti-Americanism sweeping South Korea these days, there is no question that the Soviets are taking advantage of a classic target of opportunity to extend their influence at the expense of the U.S.

In that respect, the superpower ri-

valry remains intense. But it is significant, and encouraging, that the Soviets are relying more on athletes, dancers and diplomats to advance their interests and less on soldiers, KGB infiltrators and guerrillas. Insofar as Gorbachev's mission to New York is meant to persuade the world—and George Bush—that the change is real and will continue, he deserves the warm welcome he is likely to get.

—Reported by B. William Mader/
United Nations, with other bureaus

One Superpower to Another

It won't just be diplomats having "full and frank discussions" during this week's demi-summit. Like a monk touring Las Vegas to understand what the fuss over sin is about, Soviet General Secretary Mikhail Gorbachev will travel to the mountaintop of conspicuous consumption and wretched excess: Trump Tower.

While the Soviet schedulers drew up the standard list of New York City tourist attractions—the Metropolitan Museum of Art, the World Trade Center, Broadway—Gorbachev also accepted an earlier invitation: to visit the brass-and-glass high-rise office-and-apartment complex and atrial shopping mecca on Fifth Avenue, and enjoy a private dinner with mega-builder Donald Trump and his wife Ivana. Does private mean just the Trumps and the Gorbachevs? Trump, who was called directly by a Soviet official, says, "It seems that way."

Not a bad idea for a buddy movie: *Capitalist and Communist Do Manhattan*. In *Moscow on the Hudson*, the *Sequel*, Gorbachev confers on Trump, who already lives like royalty, the head-of-state status he has been seeking since he publicly implied in 1985 that his premier dealmaking skills were what the strategic arms reduction talks were missing. For his part, Gorbachev gets a view of capitalism run amuck: Trump owns one of the city's biggest apartments (a \$10 million, 20,000-sq.-ft. triplex), a palatial country house (Marjorie Merriweather Post's 118-room villa, Mar-a-Lago, in Palm Beach, Fla.), a floating island for a yacht (once owned by Adnan Khashoggi), a giant helicopter (a 44-seat double rotor, under construction), the world's biggest gambling casino (the 120,000-sq.-ft. Taj Mahal in Atlantic City), and the biggest ego (see his memoir, *Trump: The Art of the Deal*).

Trump has been telling anyone who would listen that his tower is much more than a building; it "has become the biggest attraction in New York City." He wants Gorbachev to see the "whole concept of Trump Tower," which features standard Trump touches like imported breccia pernice marble, a cascading waterfall, bronze plaques with the letter T emblazoned on every surface where the name Trump is

not, and celebrity residents paying some of the highest prices in Manhattan. After walking through the atrium lobby, decorated with an oversize poster of Trump's book, Gorbachev is scheduled to get a tour of Trump's 26th-floor office: its wall of magazine covers, its panoramic view of Central Park, and its reflection of Trump himself in the gold mirror tile ceiling. Then, if time and security permit, it's on to the private quarters on the top three floors of the building: a sprawling 7,000-sq.-ft. living area with a 12-ft. waterfall and hand-painted ceiling he compares unblushingly to the Sistine Chapel's, a dining room with floor-to-ceiling windows on three sides, and a library with hand-carved ivory panels. All is beige.

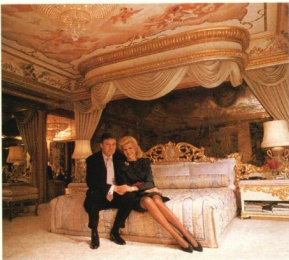
Trump took his version of *perestroika* to Moscow last year with the possibility in mind of putting his marble-and-onyx stamp on Red Square. *Glasnost* or no, he found the city fathers tougher than Mayor Ed Koch, who calls the real estate mogul "piggy, piggy, piggy" but lets him rule huge swaths of the city anyway. "The system there is so different," Trump said. "I didn't find the incentive to build as far as my time and money were concerned."

Will Trump use his audience with Gorbachev to revive the deal? Trump, who does not discourage talk of his presidential ambitions and who buys newspaper ads laying out his plans for world nuclear disarmament, has more on his mind these days than slapping his name on another pile of bricks and mortar, even if the pile of bricks is in Mother Russia. He wants to talk one superpower to another. "I'm not looking to do anything but let him know that these two great countries can and should get along together."

It was always Ronald Reagan's wish to take Gorbachev on a helicopter tour and show off the American dream by counting swimming pools in the backyards of factory workers. Gorbachev will have to settle for the Trump version of that dream. "I'm a representative of the American people," says Trump. "I want to let him know the American people are pretty good people."

—By Margaret Carlson.

Reported by Jeanne McDowell/New York



What would a good Communist be doing in the Trumps' bedroom?

John Tower's Hesitation Blues

He says he's a new man, but will Bush give him the Pentagon?

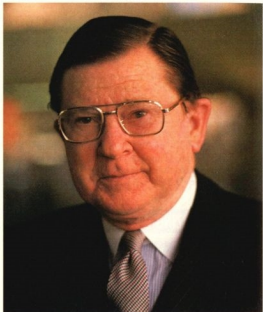


When former Texas Senator John Tower sat down for a job interview with George Bush in mid-November, he had a surprise for the President-elect: a five-point plan for cleaning up the mess at the Pentagon. Since the plan came from, of all people, the hawkish Tower, Bush was startled—and impressed—by what he heard. "It was the exact opposite of what they expected him to say," said an adviser who helped Tower prepare. According to Tower's associates, Bush declared near the end of the meeting that he would announce his choice for Secretary of Defense after Thanksgiving.

More than a week later, Bush still had not filled the top Pentagon job. Aides to both the President-elect and the former Senator said Bush was postponing a decision until someone with strong management credentials could be found to serve as Tower's deputy. But as reports circulated that Tower had been a paid consultant for several weapons makers and had a reputation for drinking, the drawn-out negotiations became embarrassing. "This thing is beginning to stink," admitted a Bush aide. Nearly all the signals indicated that Bush would eventually stand by his fellow Texan. Nevertheless, the hesitation revealed how uneasy the President-elect, his aides and most of official Washington have come to feel about Tower.

Many Washington insiders have been wondering why the former Republican Senator was in line for the spot in the first place. Tower, whose slicked-back hair and double-breasted pinstripe suits sometimes give him the look of a Mafia capo, had several strikes against him. Having been Senate Armed Services Committee chairman during the first four years of the Reagan buildup, he seemed ill-equipped to oversee the Bush slowdown. On the Hill, Tower had a reputation as a man who couldn't say no to a weapons system. He was regarded by his own backers as autocratic and impatient with lesser minds—a "mean s.o.b." who never got along well with key members of Congress, said a loyal aide.

But Tower was a cunning legislator who delighted in frus-



Bush's hesitation betrayed a certain unease

And conservatives carped that Tower was twisting in the wind.

trating congressional liberals and earned the nickname "Ironbutt" for his wait-'em-out negotiating style. Moreover, he wanted the Defense job when few others did. He campaigned for Bush, rushed to Dan Quayle's defense after the Republican Convention, and joined New Hampshire Governor John Sununu's Dukakis-bashing brigade. Tutored by several former aides who now hold top Pentagon, White House and budget-making jobs, Tower wowed Bush during their Nov. 17 meeting and several days later made a similar impression on Sununu, soon to be White House chief of staff, and Secretary of State-designate James Baker.

Baker and Treasury Secretary Nicho-

las Brady nonetheless wanted Bush to name a top deputy whose management skills would signal that the new Administration is serious about budget cutting. Not many candidates wanted to play second fiddle. Norman Augustine, chief executive officer of Martin Marietta, and Paul O'Neill, CEO of Alcoa, turned down the deputy's job. Republican Senator Pete Wilson of California began whooping it up for Rand Corp. president Donald Rice, whose many qualifications include the fact that he is a close friend and golfing partner of the most influential defense expert in Congress, Democrat Sam Nunn. Rice, who flew to Washington last Wednesday, appeared to have the inside track.

As the package deal seemed near closure, Tower's stock fell again with reports that he was on retainer to five defense contractors and rumors about his past womanizing and drinking. Conservatives complained that Bush was letting their man twist slowly in the wind. But the President-elect insisted that "nothing is going to shake my view" that Tower should go to the Pentagon. Bush's vice-presidential chief of staff, Craig Fuller, was even more unequivocal: "I know of absolutely no information that has come to us privately or through the press that would in any way disqualify Senator Tower."

If he survived his difficult passage, Tower would face the most complicated task in the next Administration. Eight years after Reagan expanded the military budget 50%, persistent budget deficits would force Tower to shrink Pentagon accounts by one-fourth of what was planned in fatter times. That means eliminating Navy ships, Army divisions and Air Force fighter aircraft envisioned by Caspar Weinberger in the flush years of the early 1980s—nearly \$200 billion in weapons and research programs over the next four years. Said former Defense Secretary Robert McNamara last week: "The DOD is as close to bankrupt as you can get for a Government agency."

Tower insisted through aides last week that he was ready to jettison unnecessary weapons and reform Pentagon procurement, but only if Congress would quit meddling with hundreds of weapons and research projects each year. Yet unless Bush can find someone willing to serve as deputy, Tower may never get a chance to put his good intentions to work.

—By Michael Duffy/
Washington



Rice had the inside track



Augustine just said no

Two Sides of the Nuclear Sword

New U.S. weapons may make Americans less secure

BY BRUCE VAN VOORST

"Strategic stability is the holy grail to defense planners," says former National Security Adviser Zbigniew Brzezinski. Hopes of achieving national military superiority disappeared in the radioactive clouds over Hiroshima; today nuclear deterrence is built on the shaky assurance that either the U.S. or the Soviet Union could absorb an attack and still devastate its enemy in response. By this logic, a first strike would never be attempted.

But the \$2.4 trillion Reagan military buildup is producing weapons that seem designed to upset the strategic balance and give the U.S. a nuclear advantage over the Soviet Union. Experts warn that weapons systems such as the Strategic Defense Initiative and the just-unveiled Stealth bomber could make the world more dangerous by prompting a hostile Soviet response. Other weapons that were first introduced by the U.S., such as cruise missiles and multiple-warhead ICBMs, have been copied by the Soviets and now pose a greater threat to Americans.

Just how destabilizing such systems could be was illustrated last week when the Army conceded that SDI could severely threaten the Soviet Union's satellite system. Both the U.S. and the U.S.S.R. depend heavily on low-orbit satellites for military intelligence, navigation and communications. The Star Wars antimissile weapons, sitting in space, could easily be turned against Soviet satellites traveling in predictable orbits. Such a prospect is as unacceptable to the Soviets as it would be to the U.S. Former Secretary of Defense Robert McNamara describes SDI as so destabilizing that he believes the Soviets would "be justified in shooting the system down, even in peacetime."

Soviet generals might someday be equally tempted to launch a pre-emptive attack on the radar-avoiding B-2 Stealth bomber, which former Defense Secretary James Schlesinger boasted "makes obsolescent \$200 billion worth of Soviet air defenses." Traditional wisdom holds that U.S. bombers are not first-strike weapons, since they would take up to eight hours

to reach their targets. But if the B-2 can fly over the Soviet Union undetected, the Soviets could reasonably fear a sneak "decapitation" attack on their leadership. In that case, editorialized *Aviation Week* magazine, "this new U.S. deterrent might serve to incite them, not reassure them."

Strategic advantage can vanish quickly as the Soviets steal or copy military technology and turn it against its inventors. McNamara suggests that "it takes the Soviets on the average only four years to catch up" to U.S. advances—and then the weapons may pose more of a threat to Americans than to the Soviets.

The U.S., for example, already has

both air- and sea-launched cruise missiles, and plans to build thousands of a new, advanced, low-observable "stealth" version. Because they fly slowly compared with ICBMs, American cruise missiles are not by themselves considered a first-strike weapon—like bombers, they would take hours to hit targets deep inside the Soviet Union.

But Soviet cruise missiles represent a far-reaching threat to the U.S. Half the American population and industrial capacity sit within 150 miles of the ocean coasts, where cruise missiles launched from Soviet submarines could strike quickly and unexpectedly. The U.S. has virtually no defense against such missiles, particularly when the Soviets also employ stealth technology. The threat is compounded by the difficulty in negotiating a cutback in cruises: they are so small and portable that their numbers would be almost impossible for either side to verify,

and conventionally armed missiles cannot be distinguished from nuclear weapons.

In the current strategic-arms talks, the U.S. is already attempting to reduce a destabilizing threat it introduced without sufficient reflection a decade ago. The U.S. deployed MIRVs (multiple independently targetable re-entry vehicles), which enabled a single U.S. Trident I missile to carry as many as eight nuclear warheads. The rationale—similar to that of Stealth—was to penetrate Soviet antiballistic-missile defenses, which were themselves considered destabilizing because they threatened the American ability to retaliate effectively. But the Soviets responded with huge ten-headed SS-18 missiles that can destroy the U.S. land-based deterrence. These so-called silo busters offer a frightening incentive for a first-strike attack that, says defense analyst Sidney Graybeal, "makes them extremely destabilizing."

On the checkerboard of action and reaction, stability is often in the eye of the beholder. Albert Carnesale, a widely respected nuclear strategist, wryly observes that "weapons are destabilizing only if they are your adversary's." The difference between an offensive first-strike weapon and one useful just for defensive retaliation "lies in intent only," says Carnesale. Yet often weapons are introduced largely because the technology is available, rather than to meet essential strategic requirements. As George Bush considers how to proceed with SDI, Stealth and the START talks, the standard he must apply is the quest for stability. ■

DESTABILIZING WEAPONS



Stealth bomber: the Soviets see that its radar-avoiding capability could be used to carry out a "decapitation" sneak attack against their leaders



Star Wars: U.S. officials admit that as a satellite killer, SDI would threaten the Soviets' vitally important intelligence and communications systems



Cruise missiles: based in submarines, Soviet copies of this missile pose a far-reaching threat to the U.S., which has virtually no defense against them



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George Bush shares the stage with the symbols of the opposition's troubled future...

The Jackson Problem

If the Democrats deflate him, blacks just might wave goodbye

BY MICHAEL KRAMER

"A hustler from Chicago," said George Bush of Jesse Jackson during the campaign. A man not "morally fit to lead the nation," suggested Jackson of Bush.

But there they were last week, exchanging soul shakes. "I represent the loyal opposition," said Jackson. "There will be times when I ask for his suggestions," said Bush. "He has a lot of very good ideas."

Bush also met with Michael Dukakis last week, but the tone was different. Paying a loser's traditional courtesy call, Dukakis was clearly the past. Jackson offered himself as the future, and by treating him almost as an equal, Bush lent cynical credence to the claim. "This is beyond our wildest dreams," gloated a Bush assistant. "Who could ask for a better opening to the '92 re-election effort? Both sides have a vested interest in pumping up Jesse as the Democrats' leader."

But not all sides. As Jackson becomes a Harold Stassen with clout, a good many other Democrats are becoming apoplectic. A second loss, they had hoped, would finish him. But, as Jackson says, "no way I'm going away." So for many Democrats, both black and white, the Jackson factor is becoming the Jackson problem. "What does Jesse want?" 1988's continual refrain, has become "How do we treat him?" a code question for "How do we get rid of Jackson and still retain black support?"

Roughly put, there are two schools of

thought. One, articulated by Georgia Senator Sam Nunn, dreams unrealistically of other blacks rising to take Jackson's place. Nunn has no desire to ignore the Democrats' black base. He merely wants to render it less threatening to the white conservatives who have fled to the G.O.P. One way to do that, says Nunn, is to adopt centrist programs that "don't appear to give away the store," a shift that could only succeed with Jackson's concurrence—as unlikely a prospect as the actual eclipsing of Jackson himself. The Governor of New York champions another idea for dealing with Jackson. "We have to start treating Jesse like everyone else," says Mario Cuomo. "No more condescension. No more double standards. Give him the dignity he demands—and all the scrutiny we demand of others. Only then can white Democrats legitimately compete for black voters in the primaries and still have their



...and its recently defeated past

No soul shake for the courtesy call.

heavy participation in the general election, without which we lose. Only then are you credible when you say, 'We white officeholders are the ones who can actually deliver what Jesse talks about.'"

And only then, adds media man David Garth, can the eventual nominee deny Jackson co-winner status at the national convention. "If you really have treated him like the white candidates," says Garth, "you can then say, 'We beat you fair and square, now get lost.'"

The first test of these competing approaches is under way. Jackson's former top campaign aide, Ron Brown, a Washington lawyer who has also worked for many white Democrats, is expected to run formally for the party's chairmanship. The fact is that Brown wouldn't have a prayer if he hadn't toiled for Jackson at some point. Without that credential, he would have little if any black support. The Nunn camp is unpersuaded. Says Al From, executive director of the Democratic Leadership Council, which Nunn heads: "Ron hitched his wagon to Jesse, and the signal would be that Jackson has taken over the national party. None of the whites we need to win back would believe we were just accommodating a Ron Brown career move."

At least From engages the matter squarely. "Others have taken to the hills," says Brown. "Many of the same white liberals like Ted Kennedy, Bill Bradley and Chris Dodd who praised me for finally signing on with Jesse last May because they said I would be a calm, stabilizing presence have been completely silent. Worse, they are quietly supporting the idea of Paul Kirk's staying on as chairman as a way to stop me—which, of course, they're too cowardly to say."

Jackson goes further. "They aren't just Jesse-izing Ron," says Jackson. "They're Horton-izing him," a reference to Willie Horton, the furloughed prisoner George Bush used as a club to pummel Dukakis. "Many blacks felt a sense of violation," says Jackson. "Not just because of Bush but because of the way Dukakis ran away from our concerns. But Cuomo is right. Ignore us as the core of your party, and you can forget about winning the presidency."

Where to from here? "If the white Democrats don't come to their senses," says Jackson, "then we're going to have to reconsider our religious loyalty to the party. Bush took me seriously the other day, after Reagan had the unwelcome mat out for eight years. If he acts as well as he talks, then we'll have to re-examine our historical alliances. They're treating Ron Brown shabbily in order to send a signal. Well, I'm sending another signal about taking us for granted. Maybe they'll get the point before they blow another one. If not, maybe we'll just say goodbye." ■



Mitchell looks forward to working with another fellow with Maine connections: George Bush

A Hardball Player for the Senate

New Majority Leader Mitchell is a liberal with an iron will

Growing up in Waterville, Me., George Mitchell was best known as "the brother of Johnny, Paul and Robbie Mitchell." Overshadowed by his basketball-star siblings, George decided to excel in other ways. Last week he attained a pinnacle of sorts when he was chosen majority leader of the U.S. Senate over two colleagues with more seniority, Hawaii's Daniel Inouye and Louisiana's J. Bennett Johnston. In that role, Mitchell will be the Democrats' most visible counterpoint to another fellow with Maine connections: George Bush, of Kennebunkport.

Mitchell, one of the Capitol's most adroit phrasemakers, may prove more than a match for Bush in articulating his party's agenda. The next President will find the new majority leader less interested than his predecessor, West Virginia's Robert Byrd, in parliamentary procedures, more skillful in forming coalitions, and equally unwilling to let Congress play a fall-guy role if the President tries to extricate himself from his "read my lips" campaign promises not to raise taxes. Says his friend and mentor Edmund Muskie: "George is a liberal but one who can win the support of many people because he's pragmatic."

Mitchell's owlish demeanor and mild manner mask a wrought-iron will. Democrats were impressed by his tough televised responses to Ronald Reagan on the Iran-*contra* scandal and his unblinking stare-down of Oliver North during hearings on that sordid affair. They were also swayed by the \$12.4 million he raised as

director of the 1986 Democratic Senatorial Campaign Committee, when the party recaptured control of the Senate.

Mitchell campaigned with a full-court press that would have done his brothers proud, cadging six to eight Senators a day, extracting ironclad promises, not simple assurances, of support. He was aided by his colleagues' misgivings about Johnston's ties to Big Oil interests and Inouye's lackluster television style. Though Johnston made an issue of Mitchell's Northeastern liberalism, it fell flat, even with moderate and Southern Senators who have been trying to prod their party more toward the political center in the wake of Michael Dukakis' defeat.

Since Bush occasionally gives Mitchell a ride back to Maine aboard Air Force Two, he has already had a chance to take the measure of the Democratic leader. Mitchell is publicly hopeful that the new Republican Administration and the Democratic Congress can work together because "the nation's problems are serious, the challenges are great," foremost among them the budget and trade deficits. But he warns that "if the President chooses confrontation, we will confront him." Mitchell's strategy for the Democrats is to await Bush's lead on the budget, allowing him to take the heat if he is forced to renege on his no-tax pledge. George Bush is about to discover that although George Mitchell didn't make it playing round ball, he knows a thing or two about hard ball.

—By Hays Gorey/Washington

No Pardon

Reagan rules out clemency, but North still may get off

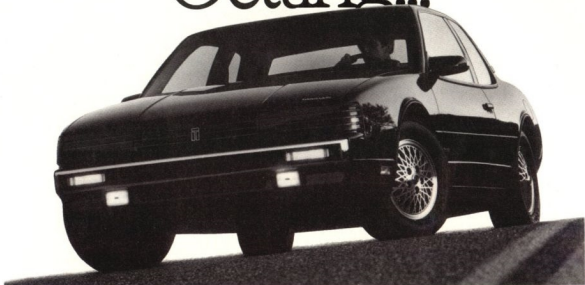
As the legal maneuvering intensified over when and whether Oliver North will go on trial for his role in the Iran-*contra* fiasco, nonlawyers had reason to wonder about the motives of some of the players. On the one hand, the former Marine lieutenant colonel, who oozed patriotism from misty eyes during the congressional hearings, threatened to reveal some of the nation's most sensitive secrets if the trial proceeds. President Reagan, who has declared North innocent, said last week that he will not pardon his ex-NSC aide in advance of a trial but neither will he allow many of the classified documents to be aired in court. If that means some charges against North have to be dropped, the President implied, so be it.

Asked in effect whether the White House was in collusion with North, Reagan insisted, "The things we're blocking are the things that duty requires we block." He would not pardon North before a trial, he said, because anyone accepting a pardon would live "under a shadow of guilt." Since Federal Judge Gerhard Gesell hopes to start the trial in late January, any pardon after a possible conviction would have to come from the new President, George Bush.

Lawyers call threats by defense attorneys to disclose classified information "graymail." To laymen, it looks suspiciously close to blackmail since it forces the prosecution to make a choice: let the secrets be revealed or drop the relevant charges. North has insisted that more than 3,500 classified documents are vital to his defense. Special prosecutor Lawrence Walsh wants to use about 400 secret papers, from which a special interagency group made numerous deletions to protect national security. North's lawyers have objected to nearly all these exclusions. If the judge decides the deleted information is necessary for North's defense, the conspiracy charge, which is the most far-ranging of 14 remaining counts against North, might have to be dropped.

Coincidentally, another familiar Iran-*contra* figure, Israeli arms agent and counterterrorism expert Amiram Nir, died last week in the crash of a small Cessna plane in Mexico. The pilot also died, and two passengers were injured. Nir, a former aide to Shimon Peres and to Yitzhak Shamir, worked closely with North in the sale of U.S. arms to Iran, traveled with him to Tehran in the attempted arms-for-hostage exchanges and briefed Vice President Bush on the ill-fated scheme.

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Hedda's Hellish Tale

Even after the brutal beatings, she "worshiped" Joel Steinberg

She still limps. Despite plastic surgery, her nose is crushed and her upper lip is permanently split. But when she testified last week in a Manhattan courtroom against her former live-in lover, who is accused of beating to death their illegally adopted six-year-old daughter, Hedda Nussbaum spoke in a firm, clear voice. What emerged was a bizarre tale of violence, drug abuse, isolation and mind control inflicted by disbarred lawyer Joel Steinberg. Asked why she never escaped from Steinberg's thrall, Nussbaum had a simple reply: "I worshiped him."

Fighting back tears, the former editor of children's books recalled how Steinberg had first wooed her by promising to teach her about life. The lessons, she testified, soon turned to assaults so severe that she lost her spleen, several teeth and partial hearing in one ear. Her eye was damaged, her nose broken, and one knee hobbled. Six times, Nussbaum claimed, she tried to run away, but she always returned. She had become convinced she "could not survive without him." After one pummeling in 1984, she fled to a shelter for battered women and was sent to Bellevue Hospital. When doctors questioned Nussbaum, she said she belonged to a sadomasochistic cult. "Joel put the story in my mind," she testified,



On the witness stand, Hedda Nussbaum describes how Joel Steinberg, left, cradled in his arms the limp, unconscious body of Lisa Steinberg

adding that he "would encourage me to come up with stories, fantasies about what happened. Since I had no actual memories of this myself, I believed I had some sort of amnesia about it."

According to Nussbaum, Steinberg, 47, assumed such total control of her life that she could not eat or leave their Greenwich Village apartment without his permission. One night last November, she said, he ordered her and Lisa to eat hot pepper, forcing them to drink glass after glass of tap water. A bit later, while Nussbaum was in the bathroom, Steinberg came in bearing

in his arms the bruised and unconscious girl. When Nussbaum asked what had happened, she testified, Steinberg replied, "What's the difference what happened? This is your child. Hasn't this gone far enough?" He then ordered her to flush the toilet.

After he left the apartment, Nussbaum tried several times to waken Lisa, but abandoned the effort because she thought Steinberg could use supernatural healing powers to revive Lisa when he returned. Instead, says Nussbaum, he insisted the couple share some free-base cocaine before calling for help. Nussbaum testified that Steinberg admitted, "I knocked her down, and she didn't want to get up again." Nussbaum suggested a motive for the brutal beating: Steinberg believed Lisa and the couple's other illegally adopted child, Mitchell, then 16 months old, were hypnotizing him with their stares.

In order to testify, Nussbaum, 46, was forced to come to terms with the horror of her ordeal. Originally police charged her, along with Steinberg, with second-degree murder. Prosecutors dropped the charge after becoming convinced she had been so battered psychologically and physically that she could not have participated in beating Lisa. After months of intensive psychiatric care, Nussbaum agreed to testify for the prosecution. On the eve of her testimony, Nussbaum made what her psychiatrist calls a "final declaration of independence" by slapping Steinberg with a \$3 million lawsuit for the decade of abuse she allegedly suffered at his hands.

—By David Ellis

Reported by Barbara L. Goldberg/New York

A Snitch's Story

In L.A., an informer blows the whistle—on himself

Leslie White is a prime example of a shady fixture in American justice: the jailhouse snitch. Over the past decade White—whose rap sheet lists crimes ranging from purse snatching to kidnapping—has testified against at least a dozen California inmates who he claimed confessed their guilt to him. With information he provided, authorities have unearthed the bodies of murder victims and prosecuted a prison gang leader for murder. In exchange, lawmen accorded him special privileges, including early release, during his frequent returns to the slammer. "Every time I come in here," White boasts, "I inform and get back out."

Now White, 31, has squealed again—

on himself. He confessed that at least some of the information he passed on to lawmen was nothing but a pack of lies. While dismayed law-enforcement officials looked on, White demonstrated how easy it is for a would-be stoolie to concoct a false confession simply by using a telephone in the prison chaplain's office. Identifying himself as a bail bondsman, White called the sheriff's document-control center and got an accused murderer's case number and date of arrest. Then he phoned the district attorney's records bureau, identifying himself as a deputy D.A. to obtain names of witnesses and the prosecutors handling the case. He rang up the coroner's office—this time masquerading as a cop—and was provided with details of the murder. In

short order White had pieced together enough information to provide lawmen with a credible "confession" from a prisoner he had never laid eyes on.

White's revelation rocked the Los Angeles district attorney's office, which responded by reviewing every conviction of a major crime obtained with jailhouse testimony over the past ten years. The investigation turned up 120 questionable cases.

An undetermined number of them may have to be retried.

White claims he confessed his fabrications to absolve a guilty conscience. But he doubts that any other snitch who made up a confession is likely to come clean as he did. "These guys will just get on the stand again and say, 'No, I didn't lie,' Case closed. Back in the closet."



Stoolie White in jail



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American Notes

COMPUTERS

Another Infection

As Yogi Berra might say, it was déjà vu all over again. Five weeks after a computer-science graduate student forced the Defense Department to shut down its Arpanet computer network by infecting it with a self-duplicating electronic virus, the Pentagon learned that one of its smaller military information systems, Milnet, had been broken into by an unknown hacker. Last week Mitre Corp., a Massachusetts-based defense contractor, warned the Pentagon that someone had gained unauthorized access to Mitre's system, which is linked to the Arpanet network. Fortunately, the invader had access only to non-classified material, and none of it was damaged. Nevertheless, the Defense Department severed Milnet's connection to Arpanet until software experts could come up with a fix. ■



Aftermath of the explosion: shattered remains of a fire truck and grief for fallen friends



MISSOURI

Kansas City Burning

"Explosion just as we pulled up in here. Get us all kinds of ambulances." That urgent message was radioed by fire battalion chief Marion Germann moments after a huge explosion at a Kansas City construction site last week. At 4 a.m. two engines manned by six fire fighters had raced to battle a blaze engulfing a pickup truck. They had barely

arrived at the scene when the powerful blast erupted in a nearby trailer.

Though Germann was a quarter-mile from the scene, the force of the explosion shattered the windshield of his car. As far as ten miles away, houses shook, and people were jolted from their beds. Forty minutes later a second detonation in another trailer bent walls, buckled ceilings and forced the evacuation of hundreds from their homes.

After the blaze was extinguished, fire fighters discov-

ered two smoldering craters, 30 ft. to 40 ft. wide and 7 ft. deep. The death toll in the worst fire-fighting disaster in Kansas City's history: all six of the fire fighters who first arrived at the scene. Investigators suspect arsonists set the fire that ignited more than 20 tons of ammonium nitrate, an explosive used at the construction site. But their search for clues and a motive will be no easy task. The explosion was so destructive that it may have obliterated crucial evidence. ■

ALIENS

A Million Late Arrivals

As the deadline passed last week for migrant farm workers to seek U.S. residency status under a special amnesty program, the Immigration and Natural-

ization Service estimated that it had received an astonishing 1.2 million applications, four times the number expected. Normally, about 600,000 aliens come to the U.S. each year to pick crops and work on farms. To qualify for amnesty, the aliens must show they did such work for 90 days between May

1, 1985, and May 1, 1986. So it seems that at least half the applications were phony.

Part of the applicant deluge was attributed to nonmigrant aliens who failed to qualify for the stricter residency regulations in the amnesty program passed by Congress in 1986. The deadline for that program was last May 4. Many who could not meet the test apparently acted on rumors that INS was not checking documents thoroughly for the special agricultural amnesty.

Shady operators offered false papers for fees ranging from \$200 to \$2,000. Employers have sometimes willingly falsified papers to make sure their source of cheap migrant workers remains available. While the extent of fraud is debatable, its existence is not. "We had applicants flying in from New York," says Mariela Melero, Houston district INS spokeswoman. Some supposed farm workers, when interviewed by INS, described picking chili peppers with ladders or stooping to harvest grapefruit. ■

**: BEIGE
ec-stasy
fr. Gk ekstasis,
to stand**

DRUGS

It's Ecstasy— with an M

For want of a letter *m*, David Burling, 19, is a free man. On trial in Hastings, Neb., last week for possession of with the intent to deliver 49 capsules of the psychoactive drug Ecstasy, Burling was acquitted on largely lexicological grounds. The state legislature misspelled the drug's chemical name when it passed the bill that outlawed it in 1986. Thus Burling could not be convicted of possessing the substance specified by the lawmakers. The correct spelling is methylenedioxymethamphetamine, not methylenedioxymethamphetamine as the law had it. Next time they ban a drug in Nebraska, they'd better consult a pharmacological dictionary. ■



Last-minute applicants line up in L.A.

The pen is mighti and some pens are n



Gen. Dwight D. Eisenhower holding the Parker 51 pens used to sign the German surrender on May 7, 1945 at Reims, France.

Parker Pens have been chosen to sign some of the most important documents of this century.

The first use of a Parker to sign a peace treaty was between the United States and Spain in Paris on December 10, 1898.

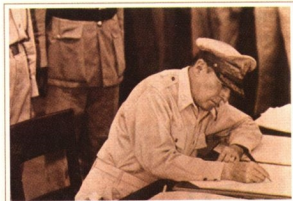
The most recent, as you may recall, was to sign the historic arms reduction agreement between the USSR and the US in Washington a few months ago.

With so many pens to choose from why have so many world leaders chosen Parker?

It is difficult to describe how a Parker Pen feels as it glides effortlessly across the page, leaving gleaming words behind it.

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C.W. Nimitz

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PARKER



● MIDDLE EAST

Non Grata

After rebuking the U.S., the United Nations votes to hear out Arafat in Geneva



After three days of intense, sometimes emotional debate, the time had come to vote. Normally, delegates in the U.N. General Assembly cast their ballots electronically, pushing buttons at their desks and watching the results—green for yes, red for no—wink up instantly on two display boards overlooking the hall. This time, 18 Arab countries insisted on a voice vote as well. By a draw of lots, Britain voted first, and ab-

stained. Next came Uruguay, with a decisive *si*. Soon there was a *oui* and a *da*, then the Arabic assent *na'am*. As the U.N.'s six official languages rang out, a chuckle began to rumble through the chamber. The exhausted delegates seemed to have found a release for pent-up tension in the very sounds they were hearing. By the time China offered the Mandarin affirmative *zan cheng*, the chuckles had widened into open laughter.

Despite the nervous mirth, the vote was thoroughly earnest. By a resounding

count of 151 to 2, the U.N. deplored the U.S. refusal to grant a visa to Yasser Arafat so that he could address the General Assembly. The Arab-sponsored resolution gave Washington 24 hours to "reconsider and reverse" its decision. As expected, Secretary of State George Shultz, who made the decision in the first place, refused to yield, reasserting that Arafat, as chairman of the Palestine Liberation Organization, was an "accessory" to terrorism and consequently barred under American law from entering the U.S. Two days later the General Assembly passed a second resolution, by a vote of 154 to 2, announcing a plenary session in Geneva, Dec. 13 through 15, for the express purpose of hearing Arafat speak.

For the P.L.O., the timing could not be more favorable. The meeting will come only a week before the first anniversary of the Palestinian *intifadeh* in the Israeli-occupied West Bank and Gaza Strip. That uprising, more than any other event, has thrust the Palestinian issue to the forefront of the international agenda. Just as repressive Israeli measures altered some perceptions about the Palestinians and generally bolstered international sympathy for their cause, Shultz's refusal to grant a visa put Arafat in the headlines and renewed debate on whether the U.S. should acknowledge the P.L.O. as the sole representative of the Palestinian people.

If Shultz intended to depict Arafat as a common terrorist, he failed. Arafat emerged from the confrontation with his reputation enhanced—as something of a martyr to Shultz's intransigence. If the Secretary sought to deny Arafat the kind of prominence that a U.N. visit would bring, he produced the opposite: a publicity bonanza for the chairman. "Had the U.S. let him come, he would have been news for a day or two," said an Arab diplomat. "Now he will be a hot news item for weeks." When the General Assembly convenes in Geneva, Arafat can expect to bask in the warmth of considerable international



Which Law Prevails?

In the 1947 Headquarters Agreement signed by the U.S. and the U.N., Washington agreed not to impede the travel of persons on U.N. business. When Congress approved the accord, it also retained the U.S.'s right to bar the travel of foreign visitors on national security grounds.

Article 4 of the 1947 Headquarters Agreement

SECTION 11

The federal, state or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of representatives of members or officials of the United Nations, or of specialized agencies . . . or representatives of non-governmental organizations recognized by the United Nations for the purpose of consultation.

SECTION 12

The provisions of Section 11 shall be applicable irrespective of the relations existing between the Governments of the persons referred to in that section and the Government of the United States.

SECTION 13

(a) Laws and regulations in force in the United States regarding the entry of aliens shall

not be applied in such a manner as to interfere with the privileges referred to in Section 11. When visas are required for persons referred to in that section, they shall be granted without charge and as promptly as possible.

(b) Laws and regulations in force in the United States regarding the residence of aliens shall not be applied in such a manner as to interfere with the privileges referred to in Section 11.

Annex 2, SECTION 6 of U.S. Public Law 80-357

Nothing in the agreement shall be construed as in any way diminishing, abridging or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity . . . and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries.



By 151 to 2, the General Assembly deplored the U.S. refusal to grant the P.L.O. chief a visa

al sympathy and unified Arab support.

While the P.L.O. appeared to be the winner in the diplomatic skirmish, the Reagan Administration emerged as a clear loser. Rarely had the U.S. been the target of such overwhelming international criticism. Even Washington's most loyal allies in Western Europe lined up against Shultz, challenging the legality and the political soundness of his position. While Britain abstained from both U.N. votes, British officials made it clear that they too favored an Arafat appearance before the U.N. Israel alone stood with Washington, casting the only other no vote and hailing Shultz's refusal as a "brave decision."

Many State Department officials, eager to distance themselves from what they regarded as a peevish stance, characterized Shultz's no to Arafat as a "personal decision." They were worried that it would undermine the peace efforts of moderate Arabs and cast doubt on the U.S. commitment to a negotiated settlement in the Middle East. They also fretted that the Shultz rejection made a mockery of America's commitment to free speech and jeopardized the Reagan Administration's recently improved relationship with the U.N. Nonetheless, both Reagan and President-elect George Bush supported the decision, although Bush made it clear that he had not been consulted.

The legality of Shultz's decision remained in dispute. While the State Department has sole discretion for extending visas to foreigners, the first of last week's U.N. resolutions maintains that the anti-Arafat ruling violates the 1947 Headquarters Agreement between the U.S. and the U.N. That accord states that the U.S. will not keep out anyone who has business before the world body. Among international lawyers, the consensus was that the U.S. had breached its responsibility. "It is quite clear that the U.S. decision is wrong legally," said Cyrus Vance, former Secretary of State and an international lawyer. U.S. courts would probably agree. Earlier this year, when Washington relied on an antiterrorist statute to try to close down the P.L.O.'s observer mission to the U.N., a federal court ruled that the legislation did not supersede U.S. obligations under the 1947 agreement.

The U.S. claim that Arafat's presence would endanger national security was, as put forward by the State Department, self-contradictory. It was based on an ambiguously worded U.S. law that, according to Shultz, conditions the Headquarters Agreement on a U.S. right "to safeguard its own security." Shultz's statement denying Arafat's visa asserted that P.L.O. members were excluded from the U.S. "by virtue of their af-

iliation in an organization which engages in terrorism." One paragraph later, the statement pointed out that since visas are routinely issued to members of the P.L.O. permanent observer mission at the U.N., Arafat's group had "ample opportunity to make its positions known."

Thus Shultz seemed to be saying that it was up to him to decide who could speak for the P.L.O. and who could not. Moreover, given the fact that Arafat would be watched by U.S. security agents, if only for his own protection, the invocation of a security risk was, as a British diplomat put it, "nonsensical." Many diplomats were no less disturbed by the inconsistency of the U.S. position, noting that Arafat had been granted a visa to address the U.N. in 1974 at a time when his agenda was far more radical.

Others were concerned that Shultz's maneuver would slow the momentum generated in Algiers last month when Arafat, under pressure from Arab moderates like Egyptian President Hosni Mubarak, persuaded the Palestine National Council to take limited, though promising, steps toward recognizing Israel and renouncing terrorism. Jordan's King Hussein protested



ALPERT—KEystone

Anatomy of a Decision

that the U.S. decision was aimed "at stifling the positive, moderate Palestinian voice," and the P.L.O.'s second-in-command, Salah Khalaf, warned that it was "tantamount to an open call for extremism." Certainly the rejection did nothing to encourage Arab moderates or to force a clarification of the Algiers declaration.

The cries of indignation all but drowned out Shultz's charges against Arafat. The Secretary argued that since the Cairo Declaration of 1985, in which the P.L.O. renounced the use of terrorism outside the occupied territories, the P.L.O. had been involved in "probably more than 30 instances" of terrorist violence. The State Department's counterterrorism office cites eleven incidents since 1985 conducted by the Hawari group, which is described as a special operations outfit within Fatah, the P.L.O. faction headed by Arafat. It also charges another P.L.O. outfit, Force 17, with 15 terrorist operations, including a 1985 attack in Cyprus that killed three Israelis. Jerusalem retaliated with a strike on the P.L.O. headquarters in Tunis.

The most significant incident in Shultz's mind, however, involved P.L.O. hard-liner Abul Abbas, who was convicted in absentia by an Italian court for the murder of American Leon Klinghoffer during the 1985 hijacking of the *Achille Lauro*. Shultz was outraged when Abul Abbas was permitted to participate in the P.N.C. proceedings in Algiers. Shultz maintains that as chairman of the P.L.O. and head of Fatah, Arafat must have known about such activities and provided support. "So he condones it, he is an accessory," Shultz said, "and therefore we connect him with these acts."

When Arafat spoke with *TIME* in October, he distanced himself from Abul Abbas. "He was elected," he said of Abul Abbas' membership on the P.L.O. executive committee. "I can't prevent that." Arafat deplored the U.S. failure to acknowledge P.L.O. interventions that he says saved American lives. He claimed that in 1976 and again in 1982, following secret negotiations with U.S. officials, the P.L.O. oversaw the safe evacuation of U.S. citizens from Beirut.

In the days ahead Washington can expect more denunciation, and Arafat's appearance before the U.N. in Geneva will no doubt be an acute embarrassment for the U.S. But Arab and European diplomats regard the Arafat flap as one of the last hurrahs of the Reagan Administration, and are willing to grant the Bush Administration a clean slate. If Arafat's standing is strengthened by his performance in Geneva, Bush will be hard-pressed to avoid dealing with him in the months ahead.

—By Jill Smolowe.

Reported by Ricardo Chavira/Washington and B. William Mader/United Nations

The decision was made by one man, against the recommendation of nearly every other senior Administration adviser. But he happened to be the U.S. Secretary of State and the most powerfully determined opponent to a U.S. appearance by P.L.O. Chairman Yasser Arafat. George Shultz proudly takes—and certainly deserves—full credit for the Great Visa Flap.

The bulldog Secretary acted "from his gut," say State Department aides, but not completely without outside support. A majority of 51 Senators urged him not to admit Arafat. Some members of Congress had been quietly in touch with Jewish representatives. "We didn't want the campaign against Arafat to be an Israeli one; we wanted America to take the lead," explained an Israeli official. But Prime Minister Yitzhak Shamir went on record as opposing a visa for Arafat in a mid-November meeting with U.S. Ambassador Tom Pickering.

On Nov. 25, when Arafat formally asked for entry, Shultz consulted his top advisers. A broad array of officials counseled Shultz to grant the visa: Richard Murphy, Assistant Secretary for Near Eastern and South Asian Affairs; Michael Armacost, Under Secretary for Political Affairs; National Security Adviser Colin Powell; Defense Secretary Frank Carlucci. The U.S. delegation to the

U.N. strongly endorsed Arafat's admission. The arguments ranged from policy to practicality. A denial would undermine U.S. Middle East policy and would offend nearly the entire U.N.

Only two aides shared Shultz's views: L. Paul Bremer, head of State's counterterrorism office, who documented the case against Arafat as terrorist; and Charles Hill, the Secretary's tight-lipped, omnipresent personal assis-



Shultz and Shamir: happy to let George do it

tant, who is known to share Shultz's strongly pro-Israel views.

The consultations were in effect pro forma. Shultz delivered his decision to deny the visa early Saturday morning. A public statement was drafted and a copy sent to Reagan, vacationing at his Santa Barbara, Calif., ranch. Powell called the President to summarize the pros and cons. Said a laconic senior official: "The President understood why the Secretary came to that conclusion, and he supported it." Neither George Bush nor incoming Secretary of State James Baker, who will inherit the repercussions, was consulted. Bush advisers were happy to distance the President-elect from the brouhaha. Said a grateful aide: "They chose not to discuss this issue with us."

Why had Shultz ignored so much contrary advice? "This decision," explained one of his senior aides, "was a reflection of Shultz's deep psyche." Associates point to his long-avowed vendetta against terrorism. A friend, Robert Ames, was among the dead in the truck bombing of the U.S. embassy in Beirut. Shultz was singled out by anonymous terrorists as the target of a car bomb placed near a Jerusalem hotel where he was staying in March.

Shultz had also been frustrated in every attempt to move the many parties in the Middle East toward peace—and he seemed to blame Arab leaders far more than Israeli intransigence for his failures. His personal distrust of the Arabs stems from their regular rejection of his initiatives, such as the 1983 Lebanon accord, which was immediately scuttled by Syria. At the same time, his support for Israel, despite provocations like the Pollard spy affair, has been unflinching.

Privately, some hands at State were dismayed by Shultz's decision. Said one: "Sometimes he acts like the old Marine he once was. The Arabs caused him grief, and this is the way to get back at them."

—By Ed Magnuson.

Reported by Ricardo Chavira and Bruce van Voorst/Washington

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Why It Is Time to Talk to the P.L.O.



BY WALTER ISAACSON

In the late summer of 1975, after an all-day negotiating session in Prime Minister Yitzhak Rabin's Jerusalem office, Henry Kissinger approved a midnight

addition to an agreement with Israel. The U.S., he pledged, would not "recognize or negotiate with" the Palestine Liberation Organization until the P.L.O. accepted Israel's right to exist. Washington later added another condition, that the P.L.O. renounce terrorism. With the exception of occasional clandestine contacts and the publicized breach that cost Andrew Young his U.N. ambassadorship, the stricture has been U.S. policy ever since.

Rightfully so: there was nothing to gain from dealing with murderous thugs implacably dedicated to Israel's destruction. But now, though the P.L.O. has yet to meet all the conditions that would make it a fit participant in formal peace negotiations, a new approach seems to be warranted. A series of events during the year of the *intifadeh* makes it in America's interest to engage in talks with the P.L.O., even if they are only exploratory and informal.

► By producing a highly qualified reference to U.N. Resolution 242 as a basis for negotiations, the Palestine National Council in Algiers last month did little more than obfuscate its position on Israel's right to exist.

But ambiguity represents a step in the right direction from the dagger-sharp stance of the past, progress that ought to be encouraged and clarified through diplomatic channels.

► The *intifadeh* has served to moderate P.L.O. goals, because the residents of the occupied territories who are involved in the uprising are more willing than exiled Palestinians to accept coexistence with Israel. In addition, the longevity of the *intifadeh* has underscored the difficulty of continuing to defer the Palestinian question.

► In the past year, Yasser Arafat has been able to solidify his leadership among those involved in the *intifadeh* as well as among Palestinians in exile. As a result, the P.L.O. is established more firmly than ever as the sole representative of the Palestinian people. Israel can no longer reasonably hope that a group of West Bank or Gaza leaders unaffiliated with the P.L.O. will emerge.

► Similarly, King Hussein's decision last July to curtail Jordan's role in the West Bank removes for the near future the option of letting Amman act as a reluctant surrogate for the Palestinians.

► The tacit acceptance of Israel's existence by most of the Arab countries has made a diplomatic settlement more conceivable.

As the Algiers meeting reminded the world, the P.L.O. and its legislative branch, the P.N.C., still contain some ruthless men. A resolution that renounced terrorism in general terms still sanctioned attacks in Israel and the occupied ter-

ritories: even as it was being adopted, Palestinian commandos with plans to hold a small village hostage were caught infiltrating Israel from Lebanon. The Algiers resolutions were read in front of a map that showed Palestine before Israel was created. And Abul Abbas, the demon of the *Achille Lauro*, was embraced by Arafat and seated as a member of the P.L.O.'s executive committee; Abul Abbas smirked that Leon Klinghoffer, the 69-year-old American shot in his wheelchair and dumped overboard, "maybe was trying to swim for it."

But those who fought what they considered to be implicit recognition of Israel in the final resolutions were voted down. In an analysis published last week, Bassam Abu Sharif, Arafat's chief spokesman, proclaimed that the result was

a declaration that met the conditions set by the U.S. for recognition. "The P.L.O. has officially changed its position from one of total rejection of Israel's right to exist as an exclusively Zionist state to one of full acceptance of Israel," he said.

In fact, that is far from clear. But that is why diplomats were invented: to probe ambiguities, clarify positions, encourage progress. When John Kennedy was confronted with contradictory messages from Nikita Khrushchev during the Cuban missile crisis, he decided to cable his acceptance of the more conciliatory of the two and ignore the other. Faced with differing interpretations and translations of what was decided in Algiers, the U.S.

could seize upon the more positive interpretations as the basis for preliminary talks with the P.L.O. The U.S. goal in those discussions: to nudge the P.L.O. into agreeing that it has indeed adopted a "full acceptance of Israel."

A decision to talk directly with the P.L.O. would have to be part of a broader reassessment of the U.S.'s Middle East policy. Certain principles should not change, most notably Washington's basic commitment to the security of Israel. But a crucial part of any sensible policy would be accepting the fact that, like it or not, the P.L.O. is the representative of the Palestinian people. If there is to be a peaceful resolution to the conflict, P.L.O. involvement is required.

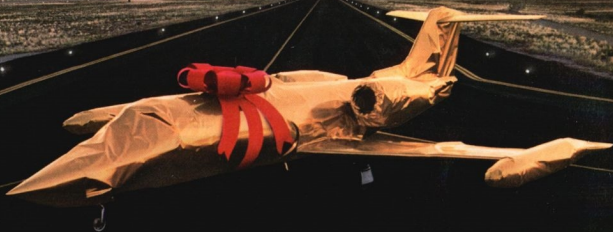
By establishing direct contact with Arafat, Washington could help break the logjam blocking mutual recognition between the P.L.O. and Israel. Like most of its Western allies, the U.S. could have dealings with the organization without extending formal recognition. The prerequisites for such recognition, as well as for participation in full-fledged Middle East peace negotiations, should remain the same as they have been since 1975: no matter how painful it may be for Arafat to offer an unqualified acceptance of Israel's right to exist and to renounce all forms of terrorism, these are not unreasonable demands. If he proves unwilling to accept them, the U.S. can always break off contact and, with no apologies, ostracize the P.L.O. once again.

—Reported by Dean Fischer/Cairo and Bruce van Voorst/Washington



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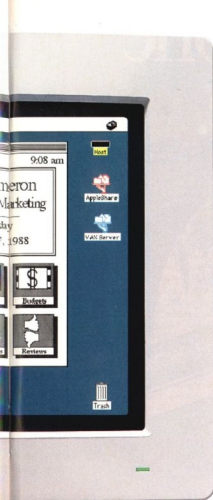
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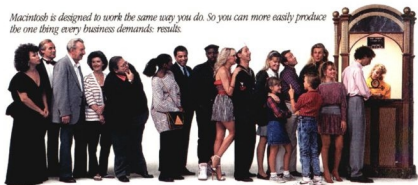


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Frustration Springs Eternal

One family's struggle shows why the intifadeh burns on



December 1987 to December 1988, a heavy toll: 318 Palestinians killed by Israeli soldiers, eleven Israelis dead, more than 7,000 Palestinians injured, 15,000 arrested, 12,000 jailed and 34 deported.

For the cause, the sons of Palestine are ready to die. That simple but powerful fact keeps the intifadeh going strong a year after it erupted in the Israeli-occupied West Bank and Gaza Strip. Khaled Tbeilah, 14, who worked in a candy factory to help feed his family when he was not throwing stones at Israeli patrols, became one of the most recent Palestinian "martyrs" on Oct. 18, when a plastic bullet fired by an Israeli soldier in the West Bank city of Nablus killed him. His parents and nine siblings are grieving but are no less determined to fight on against Israel's occupation of their land.

THE FATHER Abdul-Wahhab Tbeilah, 58, is a generation removed from the young men who started the revolt, and did not think like them when the uprising erupted. His political sensibilities, like those of other older men in Nablus, had dulled after 21 years of occupation. An auto mechanic, he worked hard to keep his large family in their 400-year-old two-room ancestral home in the Casbah of Nablus. He lived for his children, hoping they would be educated enough someday to become doctors and teachers. Then politics intruded into his quiet life and, given the frequent general strikes called by intifadeh leaders, he decided to quit his job in Israel. The \$130 a month he now earns as a guard at a religious school is not nearly enough to provide even modest comfort. "Financially," says Abu Ali, as he is called, "I am tired."

In some ways, he wishes he could turn back the clock to before last December, but he has accepted the violent politicization of his life through a combination of religious faith and nationalism. Despite his grief, he speaks with pride of Khaled's "martyrdom." "Our contribution to the intifadeh," he says, "has moved the Palestinian cause forward."

THE MOTHER Fryal, 41, betrays the strain of trying to run a home during a year of anguish. She still oversees her large household with a firm hand, although providing the daily necessities is no longer a simple task. She has drawn up a stringent budget that allocates her husband's paycheck entirely for groceries and the children's clothes and medicine.

Amid shortages and strikes, the simple act of buying food has turned into a time-consuming, frustrating chore. Meat is rarely served at her table; even chicken or frozen fish appears no more than once a week.

Much of the time Fryal is terrified that Israeli soldiers will break into the apartment and take her men away for interrogation. Remembering such nighttime incidents, she blinks back tears. "I start bleeding inside when I see my husband humiliated and my sons beaten." Yet she does not attempt to dissuade her sons from active involvement in the

be a writer "to convey the pains and hopes of human beings." Her poems, however, catch the pervasiveness of the intifadeh: "In its cage the bird is sad/ Does it cry because it is in exile? . . . Or is it the grievance against the rancorous enemy?" Though the death of her brother came as a terrible shock, Rana insists that it has not made her hate Jews. "But I do hate the occupation. If the Israelis are really bothered by the Palestinians hating them, then they should leave the West Bank and Gaza."

A SON Adel, 19, is a veteran of the streets. At 16 he joined the Shabiba, an illegal P.L.O.-affiliated youth group, and later he led a protest strike and was jailed twice. When the intifadeh caught fire, he moved to the front line of the shabab, the young militants who keep the rebellion alive.



The Tbeilah household: Abdul-Wahhab and wife Fryal, center; Rana, far left; Adel, far right

In the year-old Palestinian uprising, the family has lost a son but not a cause.

uprising. Opening a photo album, she stares at the face of the Khaled she remembers as a "very quiet boy, obedient and very sensitive." In the next breath she proudly praises him as a "Palestinian nationalist."

A DAUGHTER Rana, 17, is shy and not keen on throwing stones, but she is pleased that other young Palestinian women have joined the confrontations. Rana spends her days reading books of philosophy and poetry. Like all youngsters in the occupied territories, she has missed a half-year of formal education because the Israelis shut down government-run Palestinian schools as collective punishment for the intifadeh. Her mother keeps her inside the house for safety and to help with housework.

Rana dislikes politics; she wants to

Last winter the Israeli authorities threatened to demolish his family's home if he did not turn himself in. He complied and spent 8½ months under administrative detention. At one point, he and two of his brothers shared a tent in the harsh desert camp at Ketziot.

Hard-line politics has become Adel's life. He dropped out of high school, and says he has no time for marriage. A dedicated nationalist, he will settle for nothing less than an end to Israel and the establishment of a Palestinian state in its place; he is furious that Yasser Arafat is talking about recognizing Israel's right to exist. "If Arafat asks the Palestinians to stop the intifadeh, we will show him the back of our hands," Adel says. "I am willing to sacrifice. I am convinced that we are going to win."

—By Scott MacLeod.

Reported by Jamil Hamad/Nablus

SOVIET UNION

Here a Nay, There a Yea

A whisper of dissent greets Gorbachev's latest reforms

A drawn-out murmur echoed in the vaulted chamber of the Grand Kremlin Palace. From his front-row seat on the dais, President Mikhail Gorbachev enjoyed an unobstructed view of the extraordinary scene, but many of the 1,376 deputies at last week's session of the Supreme Soviet were forced to turn their heads to see what was going on—not on the podium but in their midst. A motion to approve major changes in the constitution had just been put to a vote, but the show of hands was not unanimous. "Could I ask for a count of those voting against?" asked acting parliamentary speaker Avgust Voss, somewhat disconcerted, as aides hurried along the aisles.

The tally—1,344 ayes, five nays and 27 abstentions—might have added up to a lopsided victory elsewhere, but the flicker of opposition to a key Kremlin program was a historic event in the Soviet parliament, long considered no more than a rubber stamp. Had the leadership not sought a compromise last week between the central government and a handful of republics over proposed electoral changes, the count of naysayers might have been even higher.

When Gorbachev, at last June's party conference, unveiled his plan to replace the existing parliament with a two-tier legislative system, he hailed it as a milestone on the way to "democratization." The Kremlin obviously underestimated just how democratic the response would be once the suggested legislation was presented for "public discussion" in October. More than 300,000 comments and suggestions flooded in; as a result, 58 out of 117 proposed clauses in the package of constitutional amendments and election laws were modified. Leading the legal revolt was the Baltic republic of Estonia, where the push for political reform has gone the furthest. Estonians feared that the new system would strengthen the authority of the central government and hamper efforts to achieve greater regional autonomy. In an

unprecedented challenge to Moscow, the Estonian parliament rejected the constitutional amendments last month and passed a declaration of "national sovereignty." Ethnic Russians, he said, wanted to know "how this could happen to our brothers in Estonia."

But Gorbachev apparently had second thoughts about carrying the campaign against the Estonians any further. In his 70-minute opening address, he dropped a prepared passage that would have heaped more criticism on the Baltic republic. Instead, he acknowledged that some provisions of the draft laws had been "formulated imprecisely" and proposed the establishment of a commission to "scrutinize point after point" the separation of powers between the federal government and the republics.

The change of signal came too late to prevent most of the session's 37 speakers from sniping at the Baltic state. While Estonian President Arnold Ruutel watched impassively from the dais, his republic was accused of "creating a hotbed of tensions." In his own presentation, Ruutel repeated demands that Esto-

nians be allowed to decide what form of parliament they wanted. There should be no place in the new laws, said Ruutel, for "formalistic texts that do not take into account the specific differences and demands" of each region.

If much of the oratory sagged under clichés and expectable praise for Gorbachev's policies, *glasnost* was nonetheless stirring. One party official from Turkmenistan questioned why clothes should be in short supply in his cotton-rich republic, while a deputy from the Autonomous Republic of Bashkir demanded compensation from Moscow for the destruction of arable land ruined by oil exploration. Another parliamentarian, from the industrialized Zaporozhe region of the Ukraine, complained of air pollution so heavy "that our lungs have taken in more poisonous filth than all the air filters put together."

Armenian President Grant Voskanyan exchanged barbs with his Azerbaijani counterpart, Suleiman Tatliyev, over Nagorno-Karabakh, the predominantly Armenian enclave in Azerbaijan that Armenia wants to put under its control. Tatliyev accused Armenian officials of "sabotaging" official decisions and appealed to Moscow for "protection." Voskanyan in turn charged that Azerbaijani leaders had encouraged the latest wave of ethnic violence in the region, which has so far claimed the lives of 28 people, drawn tens of thousands into the streets of the republican capitals of Yerevan and Baku in protests, and triggered the deployment of troops and tanks.

At the end of the session, Arkadi Volsky, the leader of an investigatory commission on Nagorno-Karabakh, chastised both sides for failing to seek a compromise. Blaming corrupt "clans" in Armenia and Azerbaijan for using the dispute to divert attention from their criminal activities, Volsky warned that "when laws are violated and blood is spilled the state cannot just stand by."

The three-day session had, in Gorbachev's words, inspired a discussion "the likes of which has not been seen in the national legislature for a long time." With the first troubled phase of political reform behind him, the President reaffirmed his determination to move into the second stage and end "mutual suspicion" between Moscow and the ethnic republics. "We will probably get more bruises," he said in his closing remarks. "We are learning great lessons in the school of democracy, and it is necessary that everyone become a good pupil." Even, it seemed, those at the head of the class.

—By John Kohan/Moscow

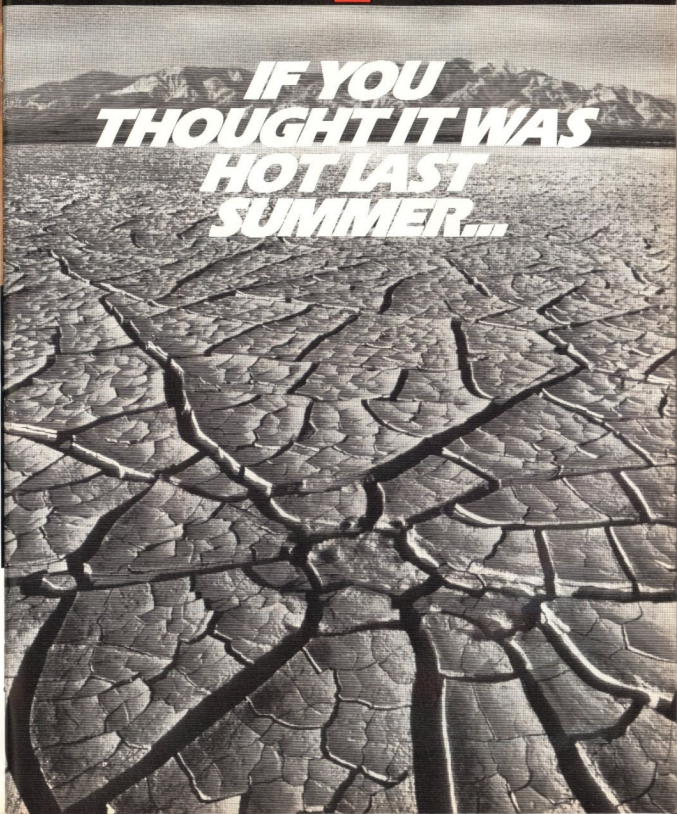


While the architect of "democratization" looks on, his blueprint is debated

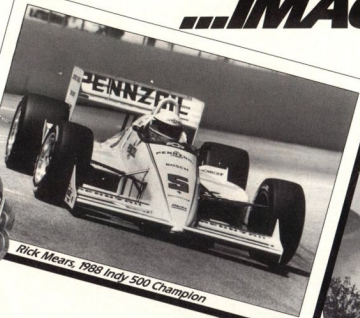


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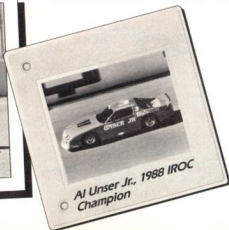
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 7/24 Marlboro Grand Prix at the Meadowlands, winner Al Unser Jr.
 8/7 Marlboro 500, winner Danny Sullivan
 9/4 Escort Radar Warning 200, winner Emerson Fittipaldi
 9/11 Briggs & Stratton 200, winner Emerson Fittipaldi
 9/25 Bosch Spark Plug Grand Prix, winner Danny Sullivan
 10/16 Champion Spark Plug 300km, winner Danny Sullivan
 11/6 Nissan Indy Challenge, winner Al Unser Jr.

NASCAR

Winston Cup Series—Monte Carlo Aerocoupe
 3/20 Motorcraft 500, winner Dale Earnhardt
 4/17 First Union 400, winner Terry Labonte
 4/24 Pannini's Sweatshirts 500, winner Dale Earnhardt
 5/29 Coca Cola 600, winner Darrell Waltrip
 6/19 Miller High Life 500, winner Geoff Bodine
 7/31 Talladega 500, winner Ken Schrader
 8/27 Busch 500, winner Dale Earnhardt
 9/25 Goody's 500, winner Darrell Waltrip
Busch Grand National Series—Monte Carlo Aerocoupe
 3/26 Darlington, SC, winner Geoff Bodine
 4/9 Bristol, TN, winner Dale Earnhardt
 5/21 Nashville, TN, winner Darrell Waltrip
 7/17 South Boston, VA, winner Larry Pearson
 8/27 Bristol, TN, winner Larry Pearson
 9/17 Dover, DE, winner Mike Waltrip

SCCA

Trans-Am—Camaro, Corvette
 5/29 Sears Point, CA, winner Wally Dallenbach Jr.
 9/25 Mosport Park, ONT, winner Darin Brassfield
Escort Endurance—Showroom Stock Camaro
 4/23 Sears Point, CA, winners Stu Hayner/Bob McConnell

6/11 Portland, OR, winners John Heinricy/Don Knowles
 7/16 Brainerd, MN, winners Stu Hayner/Bob McConnell
 8/27 Road America, WI, winners John Heinricy/Don Knowles/Stu Hayner
 9/3 Road Atlanta, GA, winners Stu Hayner/Bob McConnell
 9/24 Mid-Ohio, OH, winners Stu Hayner/Bob McConnell/John O'Steen
 10/29 Sebring, FL, winners John Heinricy/Don Knowles

IMSA

Camel GTO—Corvette
 3/19 12 Hours of Sebring, winners Wally Dallenbach Jr./John Jones
 9/5 Lime Rock, CT, winner Wally Dallenbach Jr.
Camel GTU—Beretta
 2/28 Miami Grand Prix, winner Tommy Kendall
 5/22 Summit Point, WV, winner Tommy Kendall
 6/5 Mid-Ohio, OH, winner Tommy Kendall
 7/31 Portland, OR, winner Max Jones
 9/25 Watkins Glen, NY, winner Tommy Kendall
 10/2 Columbus, OH, winner Tommy Kendall
 10/23 Del Mar, CA, winner Tommy Kendall
Firestone Firehawk—Showroom Stock Camaro
 4/24 West Palm Beach, FL, winners Joe Varde/Pat Paslay
 6/12 Watkins Glen, NY, winners Joe Varde/John Petrick/Don Wallace
 7/16 Road America, WI, winners Leighton Reese/Brad Hoyt
 9/3 Lime Rock, CT, winners John Stump/Buddy Norton

NHRA

Pro Stock
 Tony Christian, 2 wins—Beretta
 Bruce Allen, 2 wins—Beretta
 Harvey Scribner, 1 win—Camaro

ASA

Stock Car Racing Series
 14 wins in 16 events. Led 3,356 of 4,500 total laps

SCORE/HDRA

Off-Road Series—S-10 and Full-Size Pickups
 1/31 Parker 400, Class 7 winner, Larry Ragland
 Class 8 winner, Steve McEachern
 3/6 Gold Coast 300, Class 7 4x4 winner, Jeff MacPherson
 4/3 Great Mojave 250, Class 4 winner, Jerry McDonald
 Class 6 winner, Larry Schwacofer
 Class 8 winner, Scoop Vessels
 5/1 Mint 400, Class 7 winner, Larry Ragland
 6/5 Baja 500, Class 4 winner, Jerry McDonald
 Class 6 winner, Larry Schwacofer
 8/14 Off-Road World Championships,
 Class 6 winner, Larry Schwacofer
 Class 7 winner, Larry Ragland
 Class 14 winner, Jerry Dougherty
 9/11 Nevada 500, Class 7 winner, Larry Ragland
 Class 8 winner, Scoop Vessels
 11/13 Baja 1000, Class 8 winner, Scoop Vessels

BEWARE THE RED BOWTIE



World

TERRORISM

To Save the Children

A most unusual hijacking

The skyjacking had the classic ingredients: gun-toting men, innocent hostages, tense conversations between cockpit and control tower. But little else was predictable about the drama that began last week in a southern Soviet city and ended at Ben-Gurion Airport outside Tel Aviv. Not only was it unusual for Moscow to bow to the demands of hijackers, but the incident ended peacefully only after extraordinary cooperation between the Soviet Union and Israel, two countries that do not have diplomatic relations.

The episode began when four armed men, led by Pavel Yakshiyants, 38, a driver from Krasnodar with a criminal record, commandeered a school bus in Ordzhonikidze (pop. 308,000), 900 miles south of Moscow. On board were 30 fourth-graders and their teacher, Natalya Yefimova. The hijackers demanded a plane to take them to Israel, South Africa or Pakistan. "In order to save the children and the teacher, a decision was made to give them a plane," explained Albert Vlasov, head of the Soviet press agency No-



After the armed bandits surrender, reporters surround the Soviet plane at Ben-Gurion Airport. A happy ending courtesy of cooperation between Moscow and Jerusalem.

vosti. The government also tossed aboard narcotics and bags of rubles and U.S. dollars.

The following day the Ilyushin-76 transport, with a crew of eight and the hijackers aboard, took off. Soviet authorities contacted Israel and asked permission for the plane to land there, perhaps counting on the Israelis to take tough countermeasures against the fugitives. Eager to build goodwill with Moscow and sympathetic to the possibility the hijackers might be Soviet Jews, Jerusalem approved the request.

The Israelis took elaborate military precautions in case the hijackers blew up the aircraft once it landed on Israeli soil. The craft was, after all, the first Soviet plane to fly directly from the Soviet Union to Israel in more than 20 years. But as

soon as the plane taxied to a halt, one of the hijackers jumped out. After a brief discussion, he handed over his pistol and agreed to let the crew come out. The other hijackers surrendered four more pistols and a sawed-off shotgun, as well as three large bags of ransom money.

The hijackers, none of whom were Jewish, asked Israeli officials to allow them to be flown on to South Africa. Soviet officials requested that the armed bandits be sent back for trial. At week's end Israeli officials agreed to return the plane and the crew to the Soviets. In Moscow Soviet Foreign Minister Eduard Shevardnadze personally thanked the chief of a visiting Israeli consular team. Perhaps both sides hope this could be the beginning of a beautiful friendship. ■

PAKISTAN

Now, the Hard Part: Governing

Is Bhutto up to the challenge?

Elation exploded in the cities of Pakistan last week. As Acting President Ghulam Ishaq Khan announced that Benazir Bhutto, the leader of the Pakistan People's Party, would become the first female Prime Minister of a Muslim country, chanting crowds surged through the streets, and fireworks lighted the sky. Excitement rose to fever pitch as Bhutto, 35, was sworn in at the presidential compound in Islamabad.

There was ample reason for celebration—and for caution. After eleven years of military domination, Bhutto's installation capped the most peaceful transition to democracy in Pakistan's coup-riddled 41-year history. Harvard- and Oxford-educated, Bhutto secured

her selection as Prime Minister when her party won 92 of the 237 parliamentary seats in the Nov. 16 election and then patched together alliances with small parties and minority groups. Bhutto seemed well aware of the fragility of her position. "You have bestowed a great honor on your sister and placed a heavy responsibility on her shoulders," she declared in a nationwide address.

Now Bhutto faces the hard part: governing a volatile country burdened by poverty, landlessness, ethnic rivalry and foreign debt. Three out of four Pakistanis are illiterate; unemployment is endemic. The economy is headed toward bank-

ruptcy. Finally, Islamabad is the reluctant host to some 3 million refugees from the fighting in Afghanistan.

It is uncertain how much of a dent Bhutto can make in these problems. Not only is her majority in Parliament paper-thin, her power is diluted by the fact that the Senate is dominated by the opposition Islamic Democratic Alliance, as is the government of Punjab, the most populous province. Bhutto is further hobbled by promises made to keep the armed forces in their barracks. Cutting military expenditures, which consume 40% of the budget, is not feasible,

Bhutto says, "unless you want to invite in martial law."

Somehow Bhutto must find ways to meet some of the expectations of the poor, who form the P.P.P.'s main constituency. In the raucous streets of Rawalpindi following her elevation, those hopes were ballooning beyond reality. Explained a P.P.P. election worker: "We've been denied everything for the past eleven years. Now it's our turn to get a share." ■

Historic moment: the new Prime Minister takes the oath of office





Students in Rome march against narcotics: while politicians debate the solution, 700 Italians have died from overdoses this year

ITALY

Tentacles of the Octopus

The Mafia brings Europe's worst drug epidemic home

In the Sicilian countryside, helicopters clattered overhead in the early-morning dark as Italian police swooped in to raid a luxurious villa. In the streets of Palermo, Milan, Naples, up and down Italy last week, hundreds of narcotics investigators fanned out to collar scores of reputed Mafia drug traffickers. And across the Atlantic, U.S. FBI agents rounded up still more suspects in eight cities. A trail that began in Buffalo and Philadelphia three years ago had led the two countries to crack open a powerful transatlantic drug ring accused of flooding the U.S. with Italian heroin smuggled in wine bottles, tomato cans and the luggage of Sicilian housewives. At week's end the arrests stood at 80, a virtual Who's Who of Mafiosi in Italy.

Last week's arrests could be just the tip of the iceberg. When police severed the French Connection in the early 1970s, the Marseille gang was replaced in the heroin business by the Mafia, which began using old cigarette-smuggling routes to accommodate the drug traffic. By the early 1980s, Sicily had become the world's Heroin Central, and Mafia leaders had linked up with Latin American dealers to ship cocaine to the U.S. and Europe.

Today the Mafia is richer and more powerful than ever on drug-related profits estimated in the billions of dollars. La Piovra, or the Octopus, as the Mob has come to be called, has entwined its tentacles around Italy, frequently choking off the government's power. Vincenzo Parisi, chief of the Italian state police, says the Mafia's clout has made it a force strong enough to form an "anti-state." Domenico Sica, the high commissioner named

last summer for the specific task of fighting the Mafia, recently warned a parliamentary commission that organized crime was in "total control" of parts of Sicily, Calabria and Campania. The Mob's lucrative drug trade has been shared with its crime families in America.

While the Mafia fed the world's drug habit, the problem initially did not seem urgent in Italy. In 1975 Parliament passed one of Europe's most liberal drug laws, which allowed individuals to possess an unspecified "modest quantity" of narcotics—even heroin and cocaine—for personal use. The legislation was hard only on dealers: they could be sentenced to 30 years in prison.

Now the scourge has hit home. Italy is ravaged by an epidemic of drug addiction more widespread and lethal than anywhere else in Europe. The country has the largest number of addicts on the Continent: an estimated 300,000 to 400,000 are hooked on heroin alone. So far this year, 700 Italians, mostly young people, have died from overdoses—another tragic record—with the highest death tolls in industrial centers like Milan and Turin. Says Milan Mayor Paolo Pillitteri: "The problem has exploded this year. The quantity of heroin and cocaine on the streets is enormous." Every day, he says, special sanitation crews pick up some 4,000 syringes discarded by drug addicts. "It's as big a problem as terrorism once was."

Alarm over the narcotics epidemic has ignited a divisive debate over drug laws and the best way to attack the problem. Former Prime Minister Bettino Craxi has called for a drastic reversal of the old law: he wants users punished.

"You can't ban the sale of drugs from one side and give freedom to buy them on the other," he argues. Craxi's hard line has drawn fire from liberals, especially Minister for Special Affairs Rosa Russo Jervolino, chief author of a new antidrug law calling for stiffer sentences for traffickers, more support for police, and better rehabilitation programs. However, her original version let stand the provision allowing "modest" amounts of drugs for personal use. Craxi blocked passage of the bill, and in the process touched a vein of public support: a survey by the newsweeklies *Panorama* shows that 57% of Italians think users ought to be punished. Jervolino was irate: "Prison never helped any drug user." But a revised version of the new legislation that will outlaw drug possession in the future is still awaiting approval by the Cabinet.

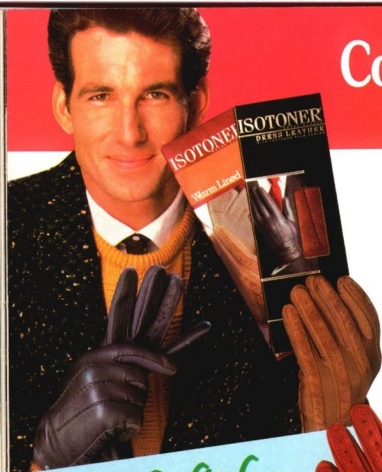
Conspicuously missing from the debate is the central role of the Mafia in spreading the epidemic. Even the heavy blows dealt the Mob in the so-called Pizza Connection trials in the U.S. in 1987 and the mass trial and subsequent imprisonment of more than 300 Mafiosi in Sicily proved to be only temporary victories. Palermo's special investigating magistrates are trying, with little evident success, to untangle the intimate ties between the Sicilian Mob and politicians in the South. Like many legitimate businesses, the Mafia has gone global and uses sophisticated financial strategies to launder drug profits.

Still, says Senator Ferdinando Imposimato, a former magistrate who handled many a Mafia case, the Mob can be defeated "by isolating the Mafiosi as the [Red Brigades] terrorists were isolated and fought by a unified country." Not to forget international cooperation: round-ups like last week's on both sides of the Atlantic could be a small but useful beginning in the struggle. —By Cathy Booth/Rome

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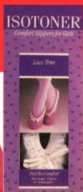
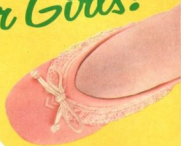


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TWO-IN-ONE—The extraordinary warmth of 100% natural wool with the unique Isotoner custom fit.
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NEW CLOUD-FOAM™ COMFORT SLIPPERS—Just like mom's, with an extra cushiony, foam padded sole. Available in embroidered terry and pearl trim in small, medium and large.
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World Notes

BRITAIN

A Property Boom Boom

If you can't buy it, bomb it. That seems to be the philosophy of a shadowy group of Welsh nationalists who exploded fire bombs in five central London real estate offices last weekend. They call themselves the Sons of Glendower, taking their name from Owen Glendower, leader of a 15th century Welsh rebellion against the English, and are thought by the authorities to number little more than half a dozen.

The group charges that affluent English home buyers seeking vacation retreats are snapping up Welsh country cottages and pricing out the locals. In retaliation, the Sons have been setting fire to purchases made in Wales by outlanders; more than 140 arson attacks since 1979 have resulted in damages totaling almost \$1 million. Official nationalist groups in Wales dissociate themselves from the property extremists.

Although nobody has yet been killed or seriously injured, police worry about the increasing sophistication of the incendiary devices being used. Warned Scotland Yard spokesman Neil Schofield last week: "If they've decided to step up the campaign in London, it's something we have to take very seriously."



Bombed London real estate office



Floods devastate southern Thailand, and authorities fear that man is partly to blame

DISASTERS

Two Deadly Storms

The green valley some 340 miles south of Bangkok was reduced to a muddy landscape littered with trees. Tearing through southern Thailand, the

big storm had triggered flash floods, killing more than 400 people and injuring thousands before it blew itself out. The calamity set the region's economy back 20 years. The chief culprit, however, was not weather: Thai authorities blamed the disaster in part on excessive logging, which had stripped wood-

ed hillsides nearly bare.

Meanwhile, a second storm roared up the Bay of Bengal into Bangladesh with 100-m.p.h. winds killing an estimated 800 and leaving thousands homeless. The death toll is expected to reach 1,000. Hundreds of fishermen and their boats were missing.

MEXICO

No Miracles, But Hope

Talk about short honeymoons. Carlos Salinas de Gortari, Mexico's newly elected President, was about to drape the sash of office over his shoulder last week when the disruptions began. As several hundred guests looked on in Mexico City's Legislative Palace, 139 legislators who supported Cuauhtémoc Cárdenas, the nationalist candidate who came in second in last July's elections, marched out. Then about 30 members of the right-wing National Action Party raised placards reading SIX YEARS OF FRAUD.

In his speech before such dignitaries as Secretary of



He has the sash but must still reassure the skeptics

State George Shultz and Cuba's Fidel Castro, Salinas tried to spell out his vision for modernizing and uniting Mexico. Said he: "There won't be miracles. But I assure you there is hope." Some of Salinas' early

actions, though, are leading skeptics to wonder how serious he is about restoring faith in the country's discredited government: a fifth of his Cabinet are holdovers from the outgoing administration.

POLAND

Walesa 8, Government 2

Not since the Polish-born John Paul II was elevated to the papacy in 1978 had so many Poles tuned in to a television broadcast. The occasion: the live telecast last week of a 42-minute debate between Alfred Miodowicz, head of the country's official trade-union federation, and Lech Walesa, chairman of the banned Solidarity

union. Some 20 million citizens, 78% of the country's adults, watched the show.

By common agreement, Walesa won easily. He charged that opportunities for radical change exist in Poland but said, "We are not making use of them. It seems what we are doing is still salvaging the remnants of a Stalinist model." The next day even Communist Party officials gave him admiring reviews. Said one: "It was a smashing victory for Walesa. I would give him an 8-

to-2 advantage." To many Poles, his appearance seemed to confer official recognition on Solidarity and could be a catalyst for renewed enthusiasm for the union.

Why did the government of Prime Minister Mieczyslaw Rakowski permit the debate? One answer was that the authorities hoped Walesa would appear rambling and incoherent under the eye of the camera—as he sometimes is in impromptu discussions. They were wrong.



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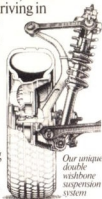
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Buyout barons KKR outfox Ross Johnson's group and walk off with RJR Nabisco, but the price comes with a colossal debt load

Ross Johnson had suspected he was heading for a fall. "They are not going to approve our bid," the RJR Nabisco president told *TIME* in an interview five days before his board of directors decided the giant company's fate. His foreboding was on target. On the night of Nov. 30, some 30 sleepless hours after the official bidding deadline had passed, the RJR directors named the winner in the biggest takeover wrangle in history. It was not the company's president.

In a stunning rebuff to Johnson, the board awarded the food-and-tobacco giant to Kohlberg Kravis Roberts, the leveraged-buyout specialists. Underdog KKR won even though the firm's final bid of about \$25 billion in cash and securities, or \$109 a share, was a bit less than the \$25.4 billion, or \$112 a share, that Johnson and his handful of top RJR managers had offered as their last stab. (The largest previous deal was Chevron's \$13.3 billion takeover of Gulf in 1984.) "It was destined to happen this way," said a source close to the bidding. "The board could not appear to favor management in a buyout." Members of the losing side felt that the board had in fact discriminated against them. Declared an aide to the RJR officers: "We were cheated."

The outcome, which will need shareholder approval, was a startling upset of Johnson, 56, and his top managers, who put the company into play on Oct. 19 and at first seemed to have the inside track. But they were outfoxed and outclassed in a bidding war in which prices soared so high that they were no longer the ultimate measures of value. The KKR team surpassed Johnson's group in demonstrating to RJR's board that it intended to give a fair shake to stockholders and employees, that it had the financial experience to raise the huge sum involved and that it would try to keep most of the company in one piece. After being named the winner, KKR partner Henry Kravis, 44, declared, "We want everything to settle down and everyone to get back to work." He added, "Oreos will still be in children's lunch boxes."

Much of Wall Street and corporate America saw the board's choice of KKR

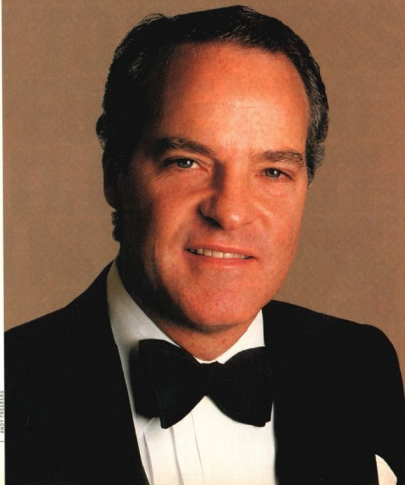
as a repudiation of Johnson, who had become a symbol of executive greed after first proposing to buy out RJR (1987 sales: \$15.8 billion) for \$75 a share. Company directors were outraged when they read accounts, leaked by insiders, of how much Johnson and his seven colleagues planned to rake in from the deal: as much as \$2.6 billion. Though Johnson later insisted he had planned to share the potential gains

with 15,000 RJR employees, the battle lines were clearly drawn—not just between Johnson and KKR but between Johnson and his board of directors.

Board members first showed their unhappiness in October when Johnson and KKR began publicly brawling over a possible joint bid. Angered by the spectacle, the directors called for outside offers. KKR, headed by Kravis and his cousin

“ Oreos will still be in children's lunch boxes. ”

HENRY KRAVIS



George Roberts, 45, made its own bid, and so did a team composed of the First Boston investment firm and Chicago's billionaire Pritzker family. The Pritzkers topped the first round of bidding with a preliminary offer of \$27 billion, or about \$118 a share for RJR stock that had traded for just \$56 on the eve of the battle. The Johnson group boosted its offer to \$100 a share while KKR bid \$94, a price that seemed to indicate that the firm might drop out. The RJR board then extended the contest until 5 p.m., Nov. 29.

KKR's seeming weakness turned out to be a trap. The company's officers even let it be known that Kravis was heading to Vail, Colo., for a skiing weekend and that Roberts was flying back to his home in San Francisco. But Kravis and Roberts stayed in close touch with their team in New York City as it prepared the final attack. When the directors met last week on the 35th floor of a midtown Manhattan skyscraper to open the final bids, they found that Kravis and Roberts had pumped their offer up to \$106 a share, while the apparently complacent Johnson group bid only \$101. A

board adviser also noted that "KKR had the sounder financial structure." The First Boston team, meanwhile, withdrew from the competition after failing to demonstrate that it could finance its bid.

Persuaded that KKR was the winner, directors summoned Kravis to a conference room at about 9 p.m. to complete the deal. The real brawl, however, was just beginning. "This game is not played by Marquis of Queensberry rules," said a Johnson adviser. "There really are no rules for this kind of auction."

At RJR Nabisco offices a few blocks away, Johnson was furious when he learned that the board was ready to sell the company to KKR. His legal advisers swiftly drafted a letter to RJR chairman Charles Hugel, who heads the board but holds no managerial post in the company, declaring they were "astounded" that the directors "would go off into the middle of the night to negotiate." Hugel explained that the KKR bid simply was much higher. By 2 a.m., however, Johnson's advisers persuaded him that his chances were still alive. Armed with a new bid for \$108 a

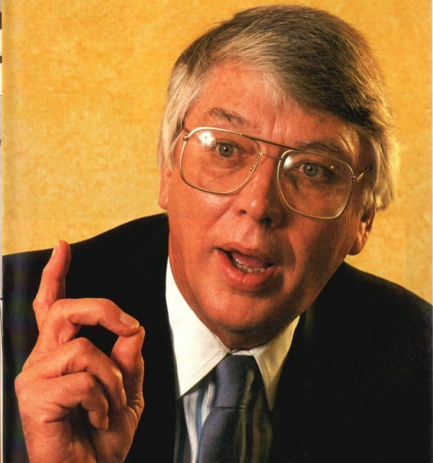
share, Johnson arrived the next morning at the East Side law offices where the special, bid-selecting panel of five directors was meeting. He demanded to present his proposal.

Lawyers for the board gave Johnson and his small coterie of advisers 15 minutes to sweeten the latest offer. At about 1:15 p.m. on Nov. 30, Johnson, chain smoking, submitted a bid of \$112 a share and then settled into a tiny office to await the verdict. The directors still favored Kravis. "KKR was going to have to sell fewer businesses," a source close to the board said, "and there was more protection for RJR employees under the KKR offer." Moreover, the informant added, while the Johnson group said it would reduce its initial stake in RJR after the takeover from 8.5% to 4%, "they were still trying to steal the company."

Board advisers then asked KKR to make a final offer. The intense Kravis agreed, submitting a document offering some \$25 billion for the company, but warned, "If we don't get it back in 30 minutes, we are going away." Thirty-four minutes later, at about 8 p.m., board representatives ushered Kravis into a conference room where investment banker Felix Rohatyn, a board adviser, handed him the signed merger agreement.

“ I am proud that we put the best bid on the table. ”

ROSS JOHNSON



A ccepting defeat, Johnson issued a concession. Said he: "I am proud of the fact that we put the best bid on the table the first time and this time." He then returned with an attorney to RJR's 48th-floor New York offices in seemingly good spirits. As city lights glittered around them, the two men sipped drinks and munched Oreo cookies while reflecting on the day's ordeal.

Johnson could afford to be philosophical: he can now pull the rip cord on a "golden parachute" worth at least \$30 million. Besides a lucrative severance package, Johnson will reap large profits from the sale of his more than 235,500 shares of RJR stock.

Kravis, meanwhile, could afford to be generous in victory. Though he may have to spin off some \$6 billion worth of RJR food brands to reduce the leveraged company's swollen debt, he talked of shifting RJR headquarters from Atlanta, where Johnson moved it last year, back to its traditional home in Winston-Salem, N.C. Kravis said he will install retired RJR chairman J. Paul Sticht, 71, in the top job again for several months to smooth the transition.

At week's end Johnson and Kravis sent a letter to RJR Nabisco's 125,000 employees to announce the end of their struggle. "It is now most important," the letter stated, "that we return immediately and actively to running our business." For Johnson, that business will probably mean finding another job.

—By John Greenwald,
Reported by Raji Samghabadi and Frederick
Ungeheuer/New York

Lenders Take a Bigger Bite

Interest rates jump to their highest levels in three years

No one accused the bankers of stealing Christmas, but their decision last week was not exactly conducive to holiday cheer. Leading U.S. banks boosted the prime lending rate from 10% to 10.5%, the highest level since May 1985 and the fourth increase so far this year. For consumers who hold adjustable-rate mortgages or home-equity loans, in which payments are tied to the prevailing trend, last week's upward lurch in the prime was about as welcome as the Grinch.

Led by Chase Manhattan, bankers were responding to what they see as a relatively tight credit policy on the part of the Federal Reserve Board. Under Chairman Alan Greenspan, the Fed has allowed rates to rise because of its concern that the economy is expanding fast enough to kindle inflation.

While the economy grew at a relatively modest 2.6% annual rate during the third quarter, the expansion actually amounted to 3.2% if the effects of the summer drought are excluded. That level of growth, while not quite inflationary in normal times, is straining against a shortage of workers and factory capacity. Unemployment in the U.S. has remained at low levels, though the Government reported last week that the jobless rate for November inched up to 5.4%, compared with 5.3% the previous month. Factories were operating at 84% of total capacity,



the highest level since February 1980.

Another key reason for the rising interest rates is the federal budget deficit, which is expected to total \$137 billion in fiscal 1990. Paul Volcker, the former Fed chairman and now a Wall Street finan-

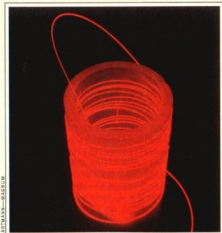
cier, warned a congressional commission last week that unless the Government reduces its huge borrowing needs, "there is the risk of a real financial disturbance. It would bring about the kind of recession that would be the most difficult to handle." One way in which the deficit has triggered higher rates is by undermining foreign confidence in the dollar, which plunged more than 3% against the Japanese yen in the three weeks after the U.S. election. To stabilize the currency, the U.S. has had to allow interest rates to rise as an incentive to foreign investors.

That is scant comfort to millions of Americans who are facing heftier payments on loans. Harold Goldberg of Chicago, a 52-year-old accountant who last year took out a \$20,000 home-equity loan, estimates that his monthly repayment will rise \$40 this month, to \$183. Says he: "I'm just grateful that I didn't borrow any more than I did."

By most accounts, the Fed is attempting to nip inflation before it buds, a policy some economists believe could be dangerous. Says Sidney Jones, a professor at Georgetown University's business school: "The Federal Reserve is overreacting to the risk of what it perceives as an overheated economy. I don't think it's there." Adds Edward Yardeni, chief economist for Prudential-Bache Securities: "I hope Greenspan doesn't do too good a job of keeping the lid on, because it could cause a recession. I don't think he will, but he could take some of the joy out of the Christmas season."

—By Barbara Rudolph.
Reported by Gisela Bolte/Washington and Janice C. Simpson/New York

Ma Bell Gets Wired



Fiber optics: clearer signal, greater profits

For more than 110 years there were three things American investors could count on: death, taxes and a profit at AT&T. Now they are back to two. For the first time since 1877, when Alexander Graham Bell founded what was then called the Bell Telephone Co., the telecommunications empire will post a loss for the year. The deficit, which could run as high as \$1.7 billion, will be the result of AT&T's decision last week to scrap \$5.6 billion worth of outdated equipment. In a drive to modernize, the company is replacing 2 billion miles of telephone connections with higher-capacity fiber-optic lines. AT&T will also install more digital switchboards and other advanced gear, which will eliminate 16,000 jobs. In the fourth quarter alone, the cost to the company will be \$6.7 billion.

Competition from rivals MCI and Sprint hastened the move. Both companies can undercut AT&T's tolls on long-distance calls because their networks use fiber-optic cable almost exclusively. The light-wave lines, which transmit a signal faster than ordinary cables and produce clearer sound than satellite communications, form less than half of AT&T's telephone grid.

Ma Bell's pain could become the consumer's gain, since the improvements may allow the company to keep lowering its toll charges. AT&T still commands 70% of the \$50 billion long-distance market, but has grown increasingly price conscious in its rivalry with MCI and Sprint. Even so, the lateness of the move has shaken some investors' confidence in Ma Bell. Says James Meyer, a telecommunications analyst with the Philadelphia investment firm Janney Montgomery Scott: "My question is, Is this it? Or will we have to go through this again?" ■

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the pinnacle of the American brandymaker's art. Also shown here: the Bacon brothers, from Chicago, whom time has likewise treated well, although Ernst (on the left), age 90, insists that Alfons, 92, has lost a step on him and is getting shorter by the minute.



THE CHRISTIAN BROTHERS

X.O. RARE RESERVE BRANDY

Little Shop of Winners

At David Geffen's entertainment mill, the hits keep on coming

If appearances were relevant, no one would suspect that the David Geffen Co. is a show-business powerhouse. It functions in a homey, two-story structure tucked between Sunset Strip's office buildings and Beverly Hills' mansions. Its owner and chief executive, the boyish Geffen, 45, often dresses for work in blue denim, wears a two-day beard and avoids any restaurant that requires a tie. Yet in an industry dominated by such giants as MCA and Gulf & Western, the Geffen Co. has become a serious contender, a factory of hits. Started in 1981 with just three employees, it pulled in \$26 million in profits during 1987 and is expected to top \$40 million this year.

Geffen is already a mini-conglomerate, making its mark in three entertainment fields: music, movies and Broadway. On Geffen Records, the debut album by rockers Guns N' Roses was ranked No. 4 on last week's *Billboard* chart. The Geffen film division scored this year's sleeper hit, the comic ghost story *Beetlejuice*; Geffen Theater co-produced *M. Butterfly*, the 1988 Tony Award winner for best play.

The man with the taste for success is a college dropout who lives by his well-cultivated wits. A connoisseur of hard rock and fine art, Geffen invests in performers and producers he trusts and usually gives them the freedom to follow their own instincts. "I see myself as a baby doctor. The product's not mine actually, but I've assisted in the process."

Born in Brooklyn to Russian immigrants, Geffen showed no taste for academics. At New Utrecht High School, where his senior yearbook predicted he would be a dentist, Geffen finished in the bottom tenth of his class. But he was inspired by business, an interest nurtured partly by his mother's proprietorship of a bra-and-corset shop. After dropping out of two colleges, he padded his résumé with a fake degree from UCLA and landed a job as a mail-room clerk at the William Morris talent agency. (He still faults the company for requiring that credential for a low-level job.) Moving up quickly, Geffen became an agent for such

1960s stars as Joni Mitchell, the Association and Laura Nyro.

Geffen started his own label, Aylum, in 1970 and became the leading purveyor of the California Sound. Among his artists: Linda Ronstadt and Jackson Browne. After selling Aylum to Warner Bros. in 1972 and running it for three years, Geffen spent an unsatisfying year as vice chairman of Warner's movie divi-

specialists for a second opinion and found that the first diagnosis had been incorrect: he was fine.

Geffen wasted no time moving back into show business. In 1981 he started Geffen Records under an arrangement in which Warner Communications financed the fledgling company and distributed its products. As Geffen launched his second career, his colleagues noticed a difference. Says Mo Ostin, chairman of Warner Bros. Records: "David is still incredibly tough and ambitious, but he softened considerably after the cancer scare. He's far more concerned about people than in his previous incarnation." Before long, Geffen

signed up the likes of Elton John, Peter Dinklage and John Lennon and Yoko Ono. He branched into theatrical ventures, co-producing *Cats*, which still reaps \$6 million a year in profits for Geffen. He scored with two other hit musicals: *Little Shop of Horrors* and *Dreamgirls*. Geffen's movie division produced the successful *After Hours*, directed by Martin Scorsese, and *Risky Business*, which launched Tom Cruise into superstardom.

Geffen's entertainment mill is still working overtime. To buttress his roster of established stars (among them: Don Henley and Jimmy Page), he is breaking in such new musical talent as Edie Brickell & the New Bohemians and the Australian ingenue Kylie Minogue. Geffen has three films under way, including *Men Don't Leave*, starring Jessica Lange. His next Broadway candidate is *Miss Saigon*, a musical by the composers of *Les Misérables*.

Geffen, whose romantic partners have included Marlo Thomas and Cher, now leads a privileged single life. (His estimated net worth, according to *Forbes* magazine: \$240 million.) In his gallery-like apartment on Manhattan's Fifth Avenue,



PLATINUM PLATTERS: Geffen's label reaps heavy profits from its rockers, including Whitesnake and Aerosmith. Its hottest discovery: Guns N' Roses, a heavy-metal band whose debut album has sold 6 million copies. **BROADWAY BONAN-**



ZAS: The company's theatrical division followed up such earlier musical hits as *Cats* and *Dreamgirls* with this year's *M. Butterfly*, which starred John Lithgow in the original cast and



is still packing in showgoers after eight months on Broadway. **SCREEN SLEEPERS:** The frightfully funny *Beetlejuice*, starring Michael Keaton, was a surprise smash that racked up more than \$100 million at the box office this year and currently ranks No. 1 among the most popular videocassette rentals.



sion. "I had to deal with bureaucracy and politics. It just didn't work," he explains.

Then came a traumatic change in his life. Geffen developed a bladder tumor, which doctors removed and declared to be malignant. Believing that stress had contributed to the cancer, Geffen, then 33, decided to change his priorities. Canceling his subscriptions to *Variety* and *Billboard*, he began teaching business courses at Yale and UCLA, collecting art and investing in real estate. After four years in his new life, he consulted cancer

the walls are covered with the works of David Hockney, Jasper Johns and other modern masters. From his Malibu beach house, he skims the Pacific in a 20-ft. speedboat. Like most self-made men, however, Geffen is consumed by his work. "My greatest fear is getting bored," he explains. "I'm always taking notes on the imaginary yellow scratch pad in my mind." Given the profit potential of his daydreams, his competitors might like to have a peek at the occasional carbon copy.

—By Elaine Dutka/Los Angeles

Christmas Sale!

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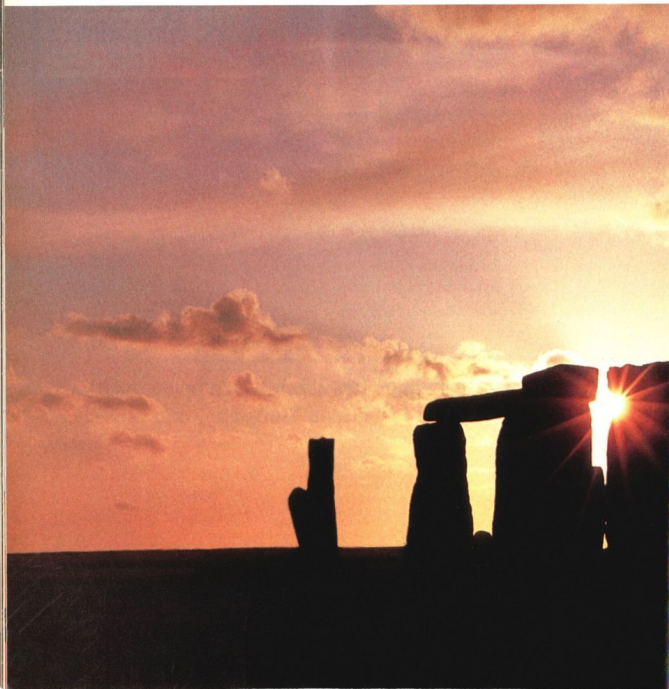
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**STONEHENGE AND
THE SPACE TELESCOPE** Over 4,100 years ago a Neolithic people built a remarkable monument on the Salisbury Plain in what is now southern England. As an engineering feat alone, Stonehenge stands as one of the wonders of the world. But a recent discovery has revealed that it served not only as a temple, but as an astronomical computer.

We know very little about the life of the people who built Stonehenge. But one thing that has become increasingly evident is that they were far more sophisticated than was previously believed. Even though they



worked only with Stonehenge technology, they built a monument which apparently acted as an astronomical clock. With Stonehenge they could predict eclipses, the exact days of the solstices, the long-term cycles of the moon and sun, and other important heavenly events. They could begin to understand that the universe had order and how it worked.

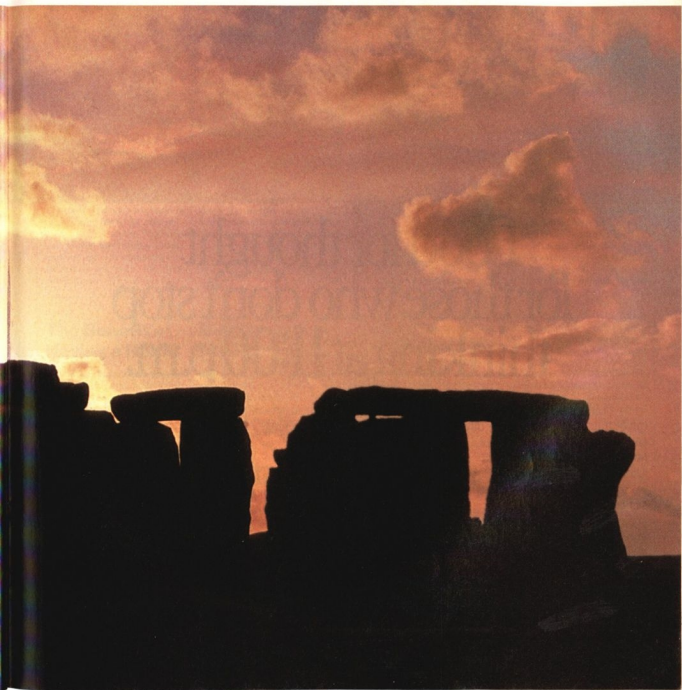
The need to understand the workings of the universe is very ancient in man. One might even say that it is instinctual, that it is part of what makes us human.

A leap of forty-one centuries and we find ourselves still confronted with the same questions that drove the prehistoric Britons to build Stonehenge. How does the universe work? How did it begin? Will it ever end?

The Hubble Space Telescope will help us solve these primeval mysteries. Once in Earth orbit, the telescope will be able to detect objects as far as fourteen billion light-years away, which is to see fourteen billion years into the past; past the birth of the Earth; past the birth of our galaxy; to the very beginning of time.

The Space Telescope represents a momentous leap in the history of mankind. The builders of Stonehenge must have felt themselves on the verge of the same kind of moment as they discovered that creation actually had order. Within our own grasp is a view of the creation itself.

 **Lockheed**
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Food for thought for those who don't stop thinking at 11:00 p.m.

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The 12-oz. private-sector Eagle, left, and the Government's 1-oz. coin

COLLECTIBLES

Taking Shots At an Eagle

The U.S. Postal Service is at odds with the Washington Mint. Not the U.S. Mint but a small Connecticut company that makes a 3½-in. medallion called the Giant Silver Eagle. The Postal Service is charging in a complaint to an administrative judge that the Washington Mint's advertising falsely implies that the company has an affiliation with the U.S. Government. The 12-oz. Con-

necticut Eagle, which is based on the Federal Government's popular 1-oz. American Eagle coin, sells for \$269.

Frederic Berg, chairman of the Washington Mint, has twice changed his company's advertisements in response to complaints from the Postal Service. This time he has decided to fight back: "We're not going to roll over on this." He adds that the Government's case is "patently ridiculous." His company sold all 5,000 of the medallions, about 25 of which have been returned by customers. ■

SERVICES

Nails Done On the Run

After years of neglect, American workwomen have rediscovered their nails. From second-story shops in New York City to brightly painted storefronts in Los Angeles, quick-service nail salons are springing up faster than fresh-vegetable stands. Customers get a lot more these days than a soak and a dunk. A typical visit includes a choice of manicures (French, oil or glue), a hand massage and acrylic sculpting to strengthen and lengthen the nails. Prices range from \$5 for the basic treatment to \$50 or more for an extensive job. ■



A bit of help for harried hands

INTELLECTUAL PROPERTY

An Idea Worth \$833 Million

The dispute between IBM and Fujitsu, the most powerful Japanese firm in the mainframe-computer market, has been one of the biggest copyright battles ever. Last week arbitrators disclosed a settlement in the case, which began in 1982 when IBM accused Fujitsu of illegally copying Big Blue operating-system software to use in the Japanese manufacturer's IBM-compatible machines. Based on a secret accord reached a year ago, Fujitsu is paying IBM \$833 million for use of the software. Until 1997, Fujitsu will also pay an annual fee that may reach \$51 million next year.

Fujitsu will benefit by getting a limited look at IBM's software, which some analysts consider a major concession by the U.S. company. But others see the settlement as an IBM victory. Says Jonathan Fram, a Bear Stearns analyst: "It's a masterstroke by IBM because they got their main rival to admit that it stole from them." ■

LABOR

The Benefit of Having a Home

Should employers be expected to make sure that their workers can afford decent housing? Absolutely, said the maids, bell hops, waiters and waitresses at nine of Boston's leading hotels. No way, management replied. But some 3,000 members of the local hotel and restaurant union prevailed last week in contract talks that may open up a new category of employee benefits. The hotels agreed to set up a housing fund of up to \$1 million to help their workers pay up-front fees for rental of apartments and down payments on houses. The concept of a worker housing fund is still so new, however, that the union will not be able to administer the money until Congress passes legislation to authorize it. ■

AUCTIONS

Bull Market For Picasso

Picasso went through his Rose and Blue Periods, and now his works have taken on a greenish hue. At least that is how investors see them. Betting that fine art will appreciate more quickly than stocks and other investments that have been sluggish since the Black Monday crash, high rollers have sent auction prices for master-

works skyrocketing to unheard-of levels. Earlier this month a 1923 Picasso painting titled *Birdcage* was auctioned for a record \$15.4 million, only to be topped four days later by the sale of the 1901 *Motherhood* for \$24.8 million. Then last week a 1905 gouache titled *Acrobat and Young Harlequin* was sold at a London auction for \$38.4 million, a record for a 20th century painting. The buyer was identified as Akio Nishino, head of fine arts for Tokyo's Mitsukoshi depart-

ment store. Only two other canvases, Van Gogh's *Irises* (\$53.9 million) and *Sunflowers* (\$39.9 million) have brought more.

The frenzied bidding has gone so high that many serious collectors and museums on tight budgets are being priced out of the market. But no ceiling is in sight. Says Richard Feigen, a Manhattan art dealer: "Investors have converted art into a financial instrument. The process isn't going to change." ■

The Rose Period *Acrobat and Young Harlequin* is knocked down for \$38.4 million at Christie's in London



● COVER STORIES

Searching for Life's Elixir

HDL, the "good" cholesterol, seems to play a pivotal role in fighting heart disease by keeping arteries clear of deadly plaque

BY DAVID BRAND

In and around Cincinnati live some 50 families who in an earlier time of myth and legend might have been accused of drinking from Ponce de León's fountain of youth. Yet even in today's pragmatic, scientific world, their arteries do seem to carry an elixir of long life. The members of these families, says investigator Dr. Dennis Sprecher of the University of Cincinnati, "typically live for long periods of time, into their 80s and 90s, with very few instances of heart disease, if indeed they have any at all."

Doctors have discovered that these people carry in their blood a component that seems to protect them against the heart disease that plagues many in the Western world, where affluence has made fatty diets and physical inactivity a common way of life. Rose Sweeney, a head nurse at a Cincinnati hospital, is a member of one of the families. "I eat everything I want," she says. "I don't worry about it as far as affecting my heart or building up plaque in my arteries." Sweeney's mother Regina Darpel, 86, notes that other members of her family have lived well into their 90s. She has the same remarkable blood chemistry; so do Sweeney's five children and her sister.

What do these lucky people have in common? They are united in a pact of longevity by the way their bodies process a waxy, odorless substance present in every human being: cholesterol. Cholesterol? The nemesis of every health-conscious person? The object of a swelling tide of medical diatribes against overeating and underexercising? The primary cause of coronary heart disease, which last year caused 1.5 million heart attacks and 550,000 deaths in the U.S.? How can this be? Isn't cholesterol the enemy?

Well, yes. But it is also becoming evident that cholesterol can be either foe or friend, depending on the way it travels

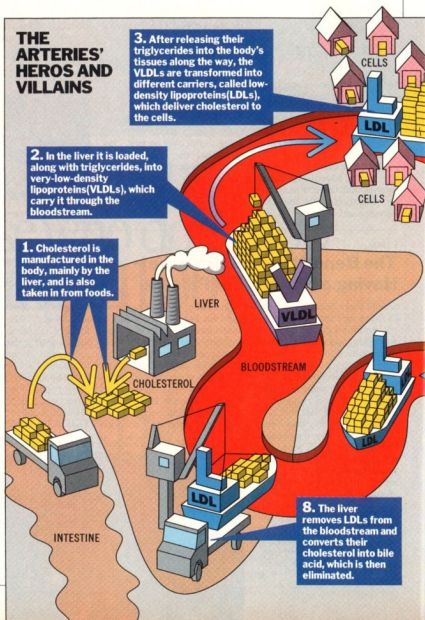
THE ARTERIES' HEROS AND VILLAINS

3. After releasing their triglycerides into the body's tissues along the way, the VLDLs are transformed into different carriers, called low-density lipoproteins (LDLs), which deliver cholesterol to the cells.

2. In the liver it is loaded, along with triglycerides, into very-low-density lipoproteins (VLDLs), which carry it through the bloodstream.

1. Cholesterol is manufactured in the body, mainly by the liver, and is also taken in from foods.

8. The liver removes LDLs from the bloodstream and converts their cholesterol into bile acid, which is then eliminated.



through the body. Cholesterol's sinister image derives from the fact that much of the substance is swept through the bloodstream by potentially damaging carrier particles called LDLs (for low-density lipoproteins). LDLs are called "bad" cholesterol because an excess of cholesterol carried by them can lead to the buildup of harmful deposits in the arteries. The other cholesterol carriers, known as HDLs (for high-density lipoproteins), are considered "good" because, far from being killers, they may actually play a vital role in preventing heart disease. They seem to act like biological vacuum cleaners, sucking up excess cholesterol in the bloodstream. It is because the 50-odd Cincinnati families possess unusually high levels of HDL that they are believed

to have such a resilient blood chemistry—and such long lives.

Americans are acutely aware of cholesterol. During the presidential campaign, George Bush's doctor issued a medical history that included the candidate's total cholesterol and HDL levels (both well within the safe zone). Two books, Robert E. Kowalski's *The 8-Week Cholesterol Cure* and Dr. Kenneth H. Cooper's *Controlling Cholesterol*, have been major sellers this year. The shelves of the nation's grocery stores are lined with products conspicuously labeled "cholesterol free." Oat bran, which moderately lowers cholesterol levels, is selling so briskly that some manufacturers are working around the clock to meet demand. Essentially, all these nostrums are aimed at reducing total cholesterol. But the

hope is implicit that they will raise the levels of HDL, the good cholesterol, while lowering those of LDL, the bad cholesterol.

The good and bad labels, however, can be simplistic and misleading. Pure cholesterol is a life-sustaining substance that plays an essential role in building cell membranes and sex hormones as well as aiding digestion. Problems begin when the body is saddled with an excess of LDL, which normally carries some 60% to 80% of the blood's total cholesterol. This excess can trigger the formation of plaque on the interior walls of the coronary arteries, a condition called atherosclerosis. In time, this hardened, sludge-filled growth narrows the artery and allows a clot to form, severely blocking the blood flow. The result: a heart attack.

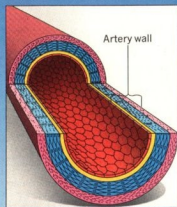
Clinical studies suggest that cholesterol's role in this lethal process is much more complicated than previously imagined. Some scientists now believe that in certain cases of atherosclerosis, too little HDL may be as important a factor as too much LDL. On the other hand, the higher the level of HDL, the more it may aid in counteracting the effects of the bad cholesterol. This is the view of Dr. William Castelli, medical director of the Framingham Heart Study, a major research project that for the past 40 years has been following the cardiac history of residents of Framingham, Mass. "A number of us," says Castelli, "feel we can do a much better job of predicting who is at risk of getting heart disease if we look at the LDL and the HDL together."

That judgment was reinforced by four new studies presented at the American Heart Association's annual meeting in Washington last month. They confirmed earlier research indicating that low levels of HDL can result in heart disease—even in individuals whose total cholesterol count is in the supposedly "safe" zone below 200 milligrams per deciliter (mg/dl) of blood.

Cholesterol in the bloodstream comes from two sources: it is produced naturally by the body's cells and also results from the intake of foods containing saturated fats or pure cholesterol—for example, butter, cheese, liver, eggs and animal fat. In the Third World, where relatively little saturated fat and cholesterol are consumed, most people seem to be protected from heart disease by low LDL levels. The problem with the Western world's rich diet is that it puts the body into overdrive, so that more LDL cholesterol accumulates in the bloodstream than can be absorbed and used by cells.

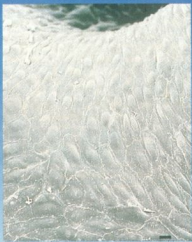
The good news is that most people have a large degree of control over their cardiovascular health. For the past two decades, the American Heart Association (A.H.A.) has been urging people to protect their hearts by giving up cigarette smoking.





HEALTHY ARTERY

Undamaged inner walls allow for an unimpeded flow of blood.



Trouble begins: artery wall, magnified 400 times, showing the first signs of lesions, which appear as tiny beads at top left.



Close-up of early lesion: macrophage scavenger cells, magnified 1,100 times, gorge on cholesterol as smooth muscle cells proliferate.

controlling hypertension and lowering their cholesterol. Many Americans have responded to the first two recommendations. Now, increasingly, they are listening to researchers like Peter Kwiterovich, professor of pediatrics and medicine at Johns Hopkins, who declares, "We have the evidence that if you lower cholesterol, you can prevent heart disease."

That is a message that many Americans obviously need to heed. Although the heart-attack death rate in the U.S. has fallen roughly 3% a year since 1967, too many people are hanging on to the bad old ways. In a report last July, Surgeon General C. Everett Koop warned Americans that they are still consuming too much saturated fat and that their cholesterol counts are too high. A basic problem is that many Americans—79%, according to a Louis Harris poll published earlier this year—do not know what their cholesterol levels should be.

To counter this confusion, the National Heart, Lung and Blood Institute has for the past three years been running a National Cholesterol Education Program. Last year the program set 200 mg/dl as the amount of total cholesterol (essentially LDL plus HDL) above which individuals are considered to be potentially at risk of developing heart disease; those between 200 and 239 are borderline high risk; anyone with a count of 240 or more may be at high risk. The program suggested that everybody should aim for an LDL count of 130 or lower. However, it did not recommend specific HDL targets.

How do Americans measure up to these overall guidelines? Rather badly. The mean cholesterol levels of men over the age of 35 fall well into the borderline-high-risk area. More than a third of American men between the ages of 45 and 64 are in the high-risk category. Because of differences in hormones, premenopausal women run a low risk of developing heart disease. In later years, though, this advantage is lost, and women between 55 and 64 have significantly higher total cholesterol levels than men the same age. The dangers of high readings are evident: the chance of a heart attack has been found to double with every 50 mg/dl increase in blood cho-

lesterol once the level goes over 200.

The picture is gradually improving, however. In 1986 the percentage of Americans whose blood cholesterol had been checked rose to 46%, from 35% three years earlier. Last May a cholesterol-screening program brought 400,000 people into more than 400 hospitals around the country. Total cholesterol is now commonly measured by portable testing machines, which produce results in minutes.

Portable analyzers, though, cannot calculate LDL and HDL levels. Even many laboratories have been unable to give consistently accurate counts of HDL. Yet that figure may be the most vital statistic of all in evaluating cardiovascular health in otherwise moderate- or low-risk individuals. Says Dr. Bruce Gordon, associate professor of medicine at Manhattan's Rogosin Institute: "There are a sizable number of people who would be inappropriately treated unless their HDL levels were taken into account."

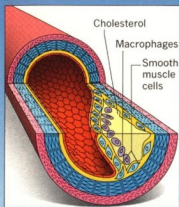
Normal HDL levels are 45 to 50 for men and 50 to 60 for women. Higher levels, in the 70s and 80s, are thought to be protective against heart disease. The studies reported at the A.H.A. meeting presented evidence that, even with a total cholesterol reading in the supposedly safe zone, a person can be at risk if his HDL level is below 35. "If I was going to know just one number, it would be HDL," Dr. Meir J. Stampfer of Harvard Medical School told the conference.

Framingham's Castelli believes, though, that the best indicator of coronary risk is the ratio



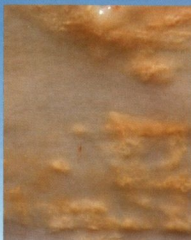
AN OUNCE OF PREVENTION

Cholesterol and blood-pressure checks can spot high-risk cases and lead to effective treatment.

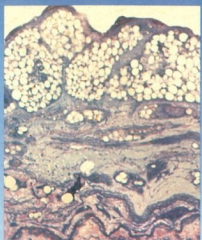


DISEASED ARTERY

Heavy plaque buildup narrows the opening and restricts blood flow.



Serious damage: a sliced-open artery segment reveals a mountainous landscape of thick, yellow, sludge-filled protrusions.



Inside view: a color-stained section of plaque. The white balls at top are fats, engulfed by macrophages, which accumulate within the artery wall.

of total cholesterol to HDL (the total divided by the HDL level; for example, an overall cholesterol reading of 180 and an HDL of 60 produce a ratio of 3). "If your ratio is 4.5 or higher," says Castelli, "you are running a ratio typical of people who develop coronary heart disease in Framingham." Low-risk vegetarians on the average score a ratio of 2.5; marathon runners are slightly higher at 3.4. The average female heart-disease victim comes in at 4.6 to 6.4, and male heart patients at 5.4 to 6.1.

Despite uncertainties about the way HDL functions, there are ample signs that raising HDL levels improves cardiovascular health. Some of the most convincing evidence has come from Finland, which has one of the world's highest rates of heart disease. Last year the first published results from an ongoing eleven-year Helsinki study of 4,081 middle-aged men showed that after five years a 2,051-member test group that was treated with the anticholesterol drug gemfibrozil had an 11% increase in HDL, an 11% decrease in LDL and 34% less heart disease, compared with others in the study who were not treated. "It's actually the first time in the history of medicine," Castelli told a cholesterol conference in Manhattan last June, "that you can show that raising HDL will have as much effect on preventing coronary heart disease as lowering LDL."

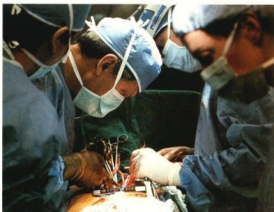
Researchers are finding that it is more difficult to increase HDL than to lower overall cholesterol. But they are pursuing some promising avenues—in particular, eating and exercise habits that seem

to stabilize or even raise HDL while bringing down LDL, thus improving the balance between good and bad cholesterol. High-risk patients who are unable to benefit from diet and exercise alone are finding new hope in a handful of drugs that lower bad-cholesterol levels. They include gemfibrozil, lovastatin, cholestyramine and colestipol. Gemfibrozil, besides reducing LDL, appears to have a pronounced HDL-raising effect. Niacin, a common B vitamin, seems to produce similar results, although it can cause such side effects as flushing and stomach disorders.

Michael Bruno of Cincinnati is one heart-disease patient who has benefited from drug therapy. A 55-year-old former

printing-plant foreman, Michael and his brother Daniel, 58, a retired barber in Canonsburg, Pa., have a genetic disorder that results in very high levels of LDL and low levels of HDL. Daniel has suffered a heart attack, and both brothers have had bypass surgery. Now the Brunos are on low-saturated-fat diets and are taking lovastatin. In addition, Michael is taking gemfibrozil. Since the brothers started their programs, Michael's total cholesterol has fallen from 224 to 184, and Daniel's from 325 to 201. Both brothers' HDL levels have gone up sharply. "I can't imagine that I used to sit down to a 1½-lb. T-bone steak," Michael says. "Today that greasy, fatty taste doesn't appeal to me."

Even though HDL's relationship to coronary heart disease was first noted in 1951, many people are still not being advised by their doctors to raise their good-cholesterol levels. The reason, says Dr. Robert Levy, president of New Jersey's Sandoz Research Institute, is that there is no absolute proof that raising HDL alone can lower a person's risk of heart disease. No convincing body of evidence from animal studies has yet demonstrated the value of raising HDL, and no clinical trial to date has specifically targeted humans with low HDL. "Much the same question existed for LDL until this decade, when it was unequivocally shown that lowering LDL decreases the risk," says Levy. The situation is similar with HDL today, he says, "except that with HDL we have not been smart enough yet to set up clinical trials designed to test whether



A POUND OF CURE

For severe cases of coronary occlusion, bypass surgery offers a final, drastic solution.

er raising HDL, alone will be beneficial."

One hopeful development is that scientists have learned how to derive synthetic HDL particles from natural HDL made in the body. At the Rogosin Institute, researchers are injecting this compound into rabbits to see if raising HDL protects them against atherosclerosis. Should such experiments succeed, it is conceivable that synthetic HDL could one day become an effective treatment for heart patients. Rogosin's Gordon notes, however, that this research "is still years away from clinical application in man."

Just how HDL plays its apparently vital role in ridding the body of excess cholesterol is not entirely clear. The substance is, after all, only one element in an alphabet soup of particles that make up the so-called lipid transport system, which moves cholesterol through the bloodstream. Though individual cells can make their own cholesterol, much of their supply comes from the bloodstream, arriving from the liver aboard macromolecular ferryboats, known as very-low-density lipoproteins, or VLDLs. These carrier particles are loaded in the liver with cholesterol and dietary fats known as triglycerides, which are used by cells for energy or stored for future use.

As the VLDL boats unload their triglycerides into body tissues, the carriers get progressively smaller, denser and proportionately more cholesterol-rich, ultimately becoming particles of LDL. The LDLs are then pulled out of the bloodstream by special protein receptors on the surface of cells. "These receptors reach out and grab cholesterol like a first baseman catching a ball thrown by a shortstop," says Dr. Michael Brown of the University of Texas Southwestern Medical Center, who, with his colleague Dr. Joseph Goldstein, won a Nobel Prize in 1985 for discovering LDL receptors. What happens to excess LDLs that are not taken up by cells? Under normal conditions, these are swept by the bloodstream through the liver, where they are captured by cell receptors. The LDLs are then converted into bile acids, which are ultimately excreted.

But the transport system's delicate balance can be upset by dietary indulgence. Take the case of a mythical glutton called Fred, who regularly gorges on porterhouse steak, French fries, ice cream and other foods high in saturated fats and cholesterol. Fred may feel great, but every time he eats, his bloodstream is flooded with fatty particles called chylomicrons, which transport triglycerides and cholesterol out of the intestines to the rest of his body. Soon Fred's

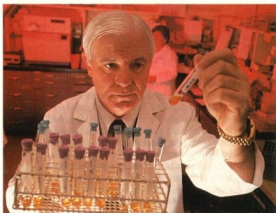
liver is busy mopping up chylomicrons and is unable to cope with excess LDL in the blood. The surfeit of cholesterol particles then begins circulating freely through the body. Unless it is stopped, it can lead to the formation of deadly plaque.

But Fred may be able to counter the effects of his gastric binges if he has enough of the HDL vigilantes in his blood. Largely produced in the liver and the intestines, these flat, disklike particles resemble "empty envelopes waiting to be filled," says Dr. Norman Miller, head of endocrinology at North Carolina's Bowman-Gray School of Medicine. As the VLDL and chylomicron particles unload their triglyceride cargoes into the body's cells, the particles become wrinkled like

high levels of HDL reverse the buildup of plaque? There are indications that this may be the case. Last year Dr. David Blankenhorn, director of atherosclerosis research at the University of Southern California, reported on a study in which 162 nonsmoking men who had undergone coronary-bypass surgery were put on a low-fat diet; 80 of them were also treated with niacin and colestipol. Among the drug-treated group, HDL levels increased 37%, while LDL decreased 43% and triglycerides went down 22%. Blankenhorn found evidence that arterial disease had been halted in 61% of the drug-treated patients, compared with 39% who were treated by diet alone. Moreover, 16% of the drug-treated group, vs. only 3.6% of the others, showed

an improvement in the condition of their arteries.

Those dramatic results were not achieved by increasing HDL alone, although Blankenhorn says there is strong evidence that "high HDL is good for you." His study showed that obstructed arteries benefited most from decreased LDL. Lower levels of triglycerides, he found, may also play an important role, a possibility that has emerged from other studies as well. At Baylor College of Medicine in Houston, Dr. Antonio Gotto Jr. discovered that his heart-bypass patients "almost without exception" have lower levels of HDL and slightly higher levels of triglycerides than people without heart disease. One theory is that excess triglycerides somehow mark HDL particles for elimination by the liver. When this occurs, says Gotto, "there is this Pac-man in the liver chewing up the HDL that ordinarily would be chewing up the



IMPROVING PREDICTION METHODS

Dr. William Castelli, medical director of the Framingham Heart Study, examines blood-plasma samples.

prunes. In the process, fragments containing proteins, fats and cholesterol break away. It is at this point that the unfilled HDL particles come to the rescue by scooping up the detritus. Researchers believe HDL also removes excess cholesterol from fat-sated cells—perhaps even those in the artery walls.

Once filled, the HDL particles must get their load of cholesterol back to the liver for excretion. Some researchers theorize that cholesterol collected in the HDL particle is transferred to a VLDL ferryboat circulating in the bloodstream; the VLDL then metamorphoses into an LDL, which is picked up by an LDL receptor in the liver. Others think HDL may in fact be a passive player—a sort of biological signal light that indicates how efficiently excess cholesterol is being removed, without necessarily taking any direct role.

If HDL actually does have the ability to pull cholesterol out of artery walls, can

plaque in the artery walls."

It remains to be seen whether HDL is a life-prolonging elixir or merely a bit player in a metabolic process whose intricate workings are not yet fully understood. The signs so far are encouraging, but the public does not have to wait for all the answers about HDL in order to do something about preventing heart disease. The LDL story, after all, is already clear: the lower the LDL, the lower the risk of heart disease. For most people in the Western world, basic changes in eating habits and life-style can drastically reduce or eliminate the threat of heart attack. Declares Dr. Bernadine Healy, president of the American Heart Association: "More than half the adult population has within its own power the ability to decrease its chances of getting heart disease." That fact alone should make everyone take heart. —Reported by Barbara Dolan/Dallas and J. Madeleine Nash/San Francisco



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The Volkswagen way.**

Take a Walk on the Well Side

How you can eat, drink and jog your way to healthier cholesterol counts

With its shop-lined main street, baseball field and grassy square, Wellsburg, W. Va., is in many ways a typical American town. Perhaps too typical. A survey last spring found that almost 70% of the Wellsburg area's 11,000 residents were at risk for heart disease. "I was just shocked that my cholesterol was that high," says Kitty Weidner, 75, whose reading was 241 milligrams per deciliter (mg/dl) of blood. Admits store owner Tom Zurbuch, 46, a former junk-food junkie whose cholesterol level was about 265: "Apparently, we haven't been eating right."

But Wellsburg had a change of heart last May, when Bayer, the pharmaceutical company, launched a \$4 million, two-year experiment aimed at improving the townspeople's coronary fitness by teaching them the rudiments of healthy living. The basic rules: throw away the cigarettes, control blood pressure and, perhaps most important, bring down blood-cholesterol levels through diet and exercise programs. Among the first results late this summer: an average 8.3% decline in cholesterol levels.

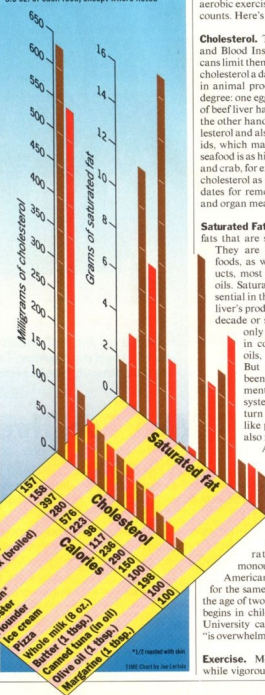
What's good for the residents of Wellsburg is good for other Americans, who are increasingly getting the message that poor eating and living habits are major contributors to heart disease. Scientists are convinced that well-designed prevention programs can cut the incidence of heart disease in the U.S. by two-thirds, perhaps even more. "Twenty years from now," says Dr. Scott Grundy, a nutrition researcher at the University of Texas Southwestern Medical Center at Dallas, "I expect to see a dramatic reduction in heart attacks."

The food industry is slowly adapting to the recommended changes in diet. Some hotels and restaurants now offer low-fat, low-cholesterol menus. Sunshine Biscuits, maker of Hydrox cookies, is no longer using coconut oil in its products and soon plans to eliminate palm oil, both of which are cholesterol-boosting saturated fats. By next summer an American Heart Association seal of approval may be carried on foods that meet its heart-healthy guidelines.

Although the overall objective is to decrease the amount of total cholesterol in the bloodstream, best results are achieved by lowering levels of LDL, the "bad" cholesterol, while maintaining or increasing levels of HDL, the "good" cholesterol. The

FACTS ON FATS

3.5 oz. of each food, except where noted



basic approach: cut down on cholesterol and saturated fats in the diet, both of which raise LDL levels, and get regular aerobic exercise, which tends to raise HDL counts. Here's how:

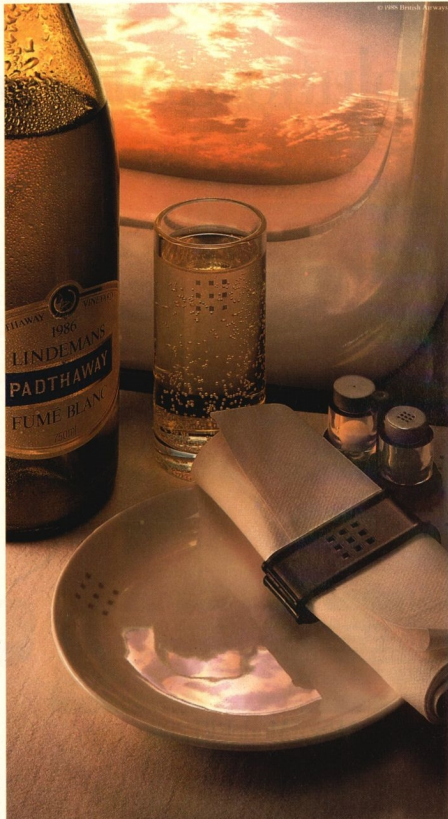
Cholesterol. The National Heart, Lung and Blood Institute suggests that Americans limit themselves to 300 mg ($\frac{1}{100}$ oz.) of cholesterol a day. Cholesterol is found only in animal products, sometimes to a high degree: one egg yolk has 272 mg, and 3 oz. of beef liver has 331 mg. Saltwater fish, on the other hand, are extremely low in cholesterol and also contain omega-3 fatty acids, which may lower LDL levels. Not all seafood is as highly recommended: shrimp and crab, for example, have twice as much cholesterol as fish. Grundy's major candidates for removal from the diet are eggs and organ meats, such as liver.

Saturated Fats. Simply stated, these are fats that are solid at room temperature.

They are found in meat and dairy foods, as well as in some plant products, most notably palm and coconut oils. Saturated fats, which are not essential in the human diet, stimulate the liver's production of LDL cholesterol. A decade or so ago, it was believed that only polyunsaturated fats, found in corn, safflower and soybean oils, would lower cholesterol. But the polyunsaturates have been shown in animal experiments to suppress the immune system. Now the advice is to turn more to monounsaturates like peanut and olive oils, which also reduce total cholesterol.

Americans consume an average 37% of their calories in the form of fats, nearly half of them saturated. Grundy and other nutrition experts recommend that fat intake be reduced to 30% of total calories in the diet and be evenly divided among saturated, polyunsaturated and monounsaturated. In 1983 the American Heart Association called for the same 30% limit for children over the age of two. Evidence that heart disease begins in childhood, says Louisiana State University cardiologist Gerald Berenson, "is overwhelming and ominous."

Exercise. Most specialists agree that while vigorous exercise only slightly low-



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PEUGEOT
NOTHING ELSE FEELS LIKE IT.

ers LDL levels, it can drive up the HDL count and reduce triglycerides (fatty acids that clinical studies have linked to heart disease). Stanford University medical professor Peter Wood maintains that an increase in physical activity, when accompanied by weight loss, can cause a steady rise in HDL. He advises 30 to 40 minutes of continuous exercise three to five times a week, in which the heart rate is elevated to 70% to 80% of maximum.

But HDL was barely raised in another study, headed by cardiologist Paul Thompson of Brown University. The trial involved eight previously sedentary men whose weight was kept constant through controlled diets and who were put on a regimen of rigorous exercise. After 48 weeks, Thompson reported, HDL levels had gone up an average of only 5 mg/dl. The most striking result

and chocolate, two items that were previously taboo in low-cholesterol diets, need not be given up entirely. One recent study showed that stearic acid, which is found in both the fat of red meat and cocoa butter, does not raise LDL cholesterol. But researchers urge moderation, since these foods also contain palmitic acid, a well-documented cholesterol raiser. In place of fatty meat, nutritionists suggest lean red meat, chicken and turkey—provided the skin of the poultry has been removed and only the white meat is eaten. (Holiday feasters, take heed.)

In general, nutritionists think Americans eat too much animal protein. "If you're eating a diet high in animal protein, you're also eating a diet high in fat," says Linda Van Horn of Northwestern University medical school. In 1985 Americans consumed an average

Studies by Dr. James Anderson, a professor of medicine at the University of Kentucky, showed that a throat-clogging diet that includes 3 oz. of oat bran a day (equal to six cups of cooked oatmeal or about six oat-bran muffins) can lower LDL cholesterol as much as 23%. Another long-term study has shown that 1½ oz. of dry oat bran a day, if taken as part of a cholesterol-lowering diet, raises HDL levels by 10%. Such findings have helped launch a nationwide rush for oat bran and oatmeal.

Inundated with all this information, many consumers can understandably stumble on the road to good nutrition. "They go to McDonald's and order a fish sandwich," says Northwestern's Van Horn, "but how is the fish prepared? It's deep-fat fried, and it's breaded. So the total amount of fat is worse than that in a small hamburger." Others

PUSHING THE PULSE

Working up a sweat at a Santa Monica, Calif., health center: vigorous exercise has been shown to drive up HDL counts. For best results, one doctor advises 30 to 40 minutes of aerobic activity three to five times a week.



of the study was a 16% drop in triglycerides experienced by the participants. Apart from its effect on HDL, exercise clearly improves cardiovascular health by lowering blood pressure and improving glucose metabolism.

How can the dietary recommendations be put to work? Specialists are increasingly looking to the traditional Mediterranean diet, which is rich in fish, grains, fruits, vegetables and olive oil. This diet is regarded as a healthy alternative to such high-cholesterol foods as red meat, eggs and whole-milk dairy products. Much of the fat in this regional fare comes from the monounsaturates in olive oil, which may explain why southern Italians, for example, boast one of the lowest heart-disease rates in the Western world—even though they have HDL levels significantly below the Western average. They appear to be protected by their low LDL counts, which they owe to a diet relatively low in cholesterol and saturated fat.

Some experts feel that lean red meat

of 71 g of animal protein a day, including high-fat products like cheese and ice cream. Grundy recommends eating only half that much, roughly the amount found in 5 or 6 oz. of lean meat or two cups of low-fat cottage cheese.

The dieter's best bet might be to replace fats with complex carbohydrates. Fat has 9 calories a gram, but carbohydrates have only 4 calories. That means that foods like spaghetti, beans, peas, potatoes and whole-grain bread are much less fattening than equivalent amounts of spare ribs or cream cheese. Most foods containing complex carbohydrates are also excellent sources of fiber.

Soluble fibers like oat and rice bran can help remove cholesterol from the body. They apparently do this by binding with cholesterol and bile acids. Insoluble fibers, such as those found in wheat or corn bran, do not affect blood cholesterol. But by increasing the speed at which food passes through the digestive tract, they may help prevent intestinal and colon cancers.

buy margarine that is described as being cholesterol free, not bothering to read the label, which may show that it contains large amounts of saturated fats in the form of palm oil.

Intelligent eating requires careful reading of food labels, says Dallas dietitian and food writer Leni Reed, who takes shoppers around Texas supermarkets teaching them how to do just that. Her most important piece of advice: disregard the label's measuring of fat by weight. Instead, she recommends working out the percentage of total calories that comes from fat.* For example, a 1-oz. serving of a cheese with a label that proclaims "reduced fat" may indeed be only one-quarter fat by weight. But in terms of calories, it may be 80% fat. "Interpret the fine print," says Reed, "so you won't be fooled by the bold print."

—By David Brand.

Reported by Barbara Dolan/Wellsburg

*The calculation: number of grams of fat per serving multiplied by 9, divided by total calories per serving, times 100.



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Revisiting the Reindeer Rule

Are publicly sponsored religious symbols unconstitutional?

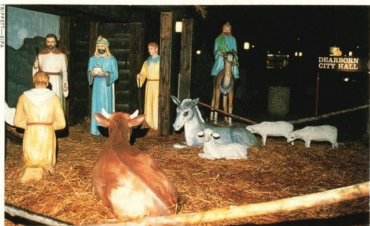
The trees are up, the holiday lights are ablaze in towns across the country, and this week menorah candles will be burning in many a storefront and city square to celebrate Hanukkah. But at two public buildings in Pittsburgh there will be no crèche and no holiday candelabrum this year. The religious symbols have been snuffed out as a result of a federal court decision, now on appeal before the U.S. Supreme Court, that has reignited the battle between forces insisting on strict separation

Pawtucket, R.I., the Justices upheld the constitutionality of a town-supported crèche in a display that included reindeer, Santa's house and candy-striped poles, saying the overall tableau had a "secular purpose" and "effect." Ever since, lower courts have struggled to apply what has come to be ridiculed as the "reindeer rule." At issue: how much secular camouflage is required to sneak a publicly sponsored Nativity scene past the First Amendment bar on an "establishment of religion."

ting up menorahs is a sharing of values with others." Beyond Pittsburgh, his 100,000-member organization has been building menorahs from Washington's Ellipse to San Francisco's Union Square, almost anywhere a reindeer might be lurking. But most Jewish groups oppose the displays. Says Sam Rabinove, legal director of the American Jewish Committee: "We're all in favor of menorahs and crèches, but not in public buildings." Mainstream Christian groups agree. "We consider the display of a Christian religious symbol by a municipality to be an affront to persons of other faiths or of none," says Dean Kelley, director for religious liberty at the National Council of Churches. "As for a menorah, two wrongs



Hanukkah menorah on the Ellipse in Washington



Crèche on a private plot near the city hall in Dearborn, Mich.

Are religious symbols in public places "a sharing of values" or "an affront to persons of other faiths"?

ration of church and state and those pressing for greater accommodation.

Earlier this year, in response to a suit brought by the American Civil Liberties Union and a number of private citizens, the Third Circuit Court of Appeals halted a seven-year custom in downtown Pittsburgh. The seasonal Nativity scene, erected by the Holy Name Society of the Pittsburgh diocese, was barred from the Allegheny County courthouse, where it had adorned the grand staircase of the building's rotunda. Also banned was an 18-ft. menorah displayed a block away at the front of the City-County building and sponsored by Chabad, the national organization of Lubavitcher Hasidic Jews. "The city viewed the display as a nice gesture consistent with the holiday spirit," laments George Specter, one of Pittsburgh's attorneys. But last week the Supreme Court rejected Chabad's emergency request for it to lift the ban pending its review of the case early next year.

The Pittsburgh dispute invites the high bench to revisit one of its most controversial and opaque rulings. In a 1984 case from

"The lower courts have been schizophrenic on the issue," says Colleen O'Connor of the A.C.L.U. So far, three federal appellate panels have held that crèches not "subsumed by a larger display" of secular items are not permissible at city hall. But another federal court ruled that a crèche can stand alone on land deemed to be a "public forum." In Chicago last month, a judge decided that no more than three religious symbols at a time may be exhibited at the Daley Center Plaza, and for no longer than 14 days. Complains Allegheny County attorney George Janocko: "The cases are elevating trifling details and making them matters of constitutional significance." The legal web has prompted officials to devise ingenious strategies for maintaining holiday displays. Small plots of city properties have been sold to private groups, as in Dearborn, Mich., or declared public parks, as in Downey, Calif., in order to erect crèches.

"It is within the right of any religion to express its beliefs publicly with the accommodation of the government," asserts Rabbi Yehuda Krinsky of Chabad. "Put-

don't make a right." Others insist that religiously inspired symbols should be permitted when they reflect U.S. tradition. "As long as we're going to have Christmas as a national holiday," says Fordham University law professor Charles Whelan, "it makes sense to allow the display of a crèche." But as Columbia University law professor Vincent Blasi points out, there is a catch. "In order to uphold the use of religious symbols," he says, "you have to officially describe them as having a secular meaning." Such a redefinition, says James Andrews, chief executive of the Presbyterian Church (U.S.A.), "amounts to the trivialization of the Christian faith."

How the court will rule in the Pittsburgh case is a matter of great speculation, but both sides hope for something clearer than the 1984 decision. Otherwise, the legitimacy of every municipal crèche will have to continue being evaluated on its own peculiar merits—or the quantity of its reindeer, which leaves jurisprudence on the horns of a dilemma.

—By **Alain L. Sanders.**
Reported by **Sheila Gribben/Chicago** and **Andrea Sachs/New York**



The changing face of *Ms.*: to shed its '60s image, the magazine launched a campaign to convince advertisers that it is not what it used to be

From Upstart to Mainstream

Two '60s-era magazines are remade for the '90s

*Then you better start swimmin'
Or you'll sink like a stone
For the times they are a-changin'.*

Twenty-five years ago, Bob Dylan's warning to a stick-in-the-mud establishment became a call to arms for a generation of artists and writers determined to burst through the barricades and foment change. Dozens of "alternative" publications were born in the anarchic '60s and '70s only to sink like stones by the straight-arrow '80s. The few that survived are now finding themselves on the receiving end of Dylan's message.

Next month *Mother Jones*, one of the country's last bastions of crusading left-wing journalism, will introduce a dramatic redesign aimed at attracting new readers. Earlier this year *Ms.* magazine, feminism's longtime standard-bearer, revamped itself in an attempt to broaden its appeal. Both magazines have turned in part to a sure-fire formula: celebrity journalism. The current cover of *Ms.* features a moody photo of Meryl Streep, while *Mother Jones* inaugurates its new look with seductive Susan Sarandon.

Founded in the early and mid-'70s, *Ms.* and *Mother Jones* were committed to popularizing then radical causes such as equal rights for women, environmentalism and corporate responsibility. Unlike political-opinion magazines that are content to reach a small but influential audience, *Ms.* and *Mother Jones* always aimed for a broad readership. But over time, they found themselves increasingly pigeonholed as vestiges of a bygone era. "People had a mistaken impression about what the magazine was doing," says *Mother Jones* editor Douglas Foster. *Ms.* editor Anne Summers, who took over from founder Gloria Steinem last

year, was also worried about misconceptions: "*Ms.* readers don't all run around wearing dungarees."

In an effort to update its image, *Ms.* recently launched a trade advertising campaign showing the gradual transformation of a hippie type, complete with beaded headband, into a blow-dried '80s woman. The tag: "We're not the *Ms.* we used to be." The campaign is reminiscent of a highly successful series of ads for another '60s-era publication, *Rolling Stone*, juxtaposing outdated "perceptions" of the magazine next to the "reality." Perception: a psychedelic van. Reality: a spiffy red sports car.

But while it was relatively easy for *Rolling Stone* (circ. 1.18 million) to follow its franchise, rock 'n' roll, into the mainstream, *Ms.* and *Mother Jones* have not had as clear a path. Named after turn-of-the-century labor organizer Mary Harris Jones, *Mother Jones* established itself as a passionate muckraker with a 1977 exposé that alleged Ford had been aware of what turned out to be a fatal defect in its Pinto. Over the years the magazine has gradually increased its cultural coverage, a trend that will continue in its new incarnation. But the new *Mother Jones* will also try to appeal to its older readers by introducing columns about politically correct travel and

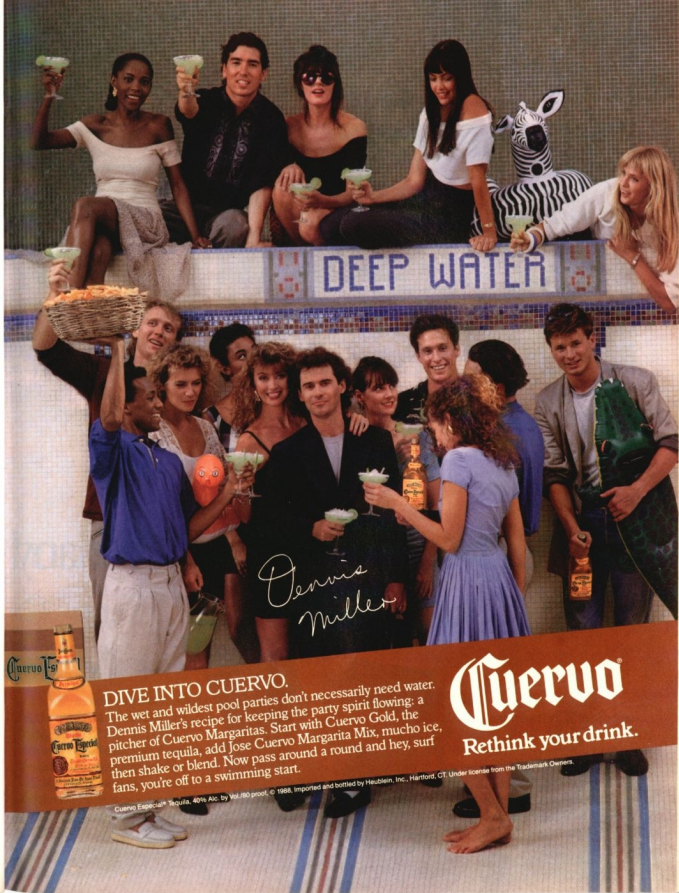
even personal finance. Whereas it once called itself "a magazine for the rest of us," the new *Mother Jones* is less of an upstart, offering the subtitle *People, Politics, and Other Passions*. Says Publisher Don Hazen: "You'll see more familiar faces on the cover."

Hazen hopes the changes will attract more advertisers and boost circulation from its current 176,000 back toward its 1980 all-time high of 238,000. Critics are already crying sellout. Michael Moore, who briefly edited the magazine two years ago before being fired in a bitter dispute, calls the redesign "*People* magazine with a liberal tinge." Hazen and Foster insist that the magazine has not abandoned its principles but rewrapped them in a more appealing package. "We've got to find a way to communicate political ideas in a broader context," says Hazen, "and if Susan Sarandon can do that, then we want to use her as much as we use the Ralph Naders of the world."

Ms., with a circulation of 500,000, has also been criticized for going soft. Now touting itself as the "only general-interest newsmagazine for women," it has increased its political reporting and covered such issues as child care and women and AIDS. But it has also begun to encroach on territory previously left to traditional women's magazines. Current and upcoming articles include "The Choice of Staying Gray" and "Cookbooks to Dream About." Explains Summers: "The women's movement is not as militant as it used to be. The world has changed, and we've changed too."

The question is whether loyal readers will accept such changes. "Will blending mean blanding?" asks Abe Peck, author of *Uncovering the Sixties*, a history of the underground press. Just because *Ms.* and *Mother Jones* readers have entered the mainstream doesn't necessarily mean they are prepared to accept similar shifts in their favorite magazines. —By Laurence Zuckerman. Reported by Naushad S. Mehta/New York.





Dennis Miller

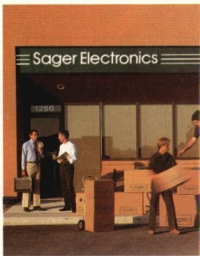
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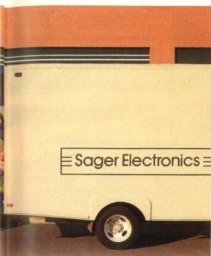
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Hopes and Fears of All the Years

Bethlehem's gloomy Christmas signals concerns for the future

Thanks to its renown as the birthplace of Jesus Christ, Bethlehem has long since ceased to be the "little town" described in the popular carol. It is instead a city whose 35,000 residents have traditionally been joined by so many pilgrims and tourists that there is often no room in the inns. But the boom and bustle came to a rather sudden halt in December 1987, when the *intifadeh* arose among the Arabs in Israel's occupied territories. Last Christmas only 5,000 visitors—half the normal turnout—attended Bethlehem's elaborate holiday observance. In the year since then, an estimated 300 Palestinian Arabs have been killed in the uprising, eleven in the Bethlehem area.

Last week a decree went out from the Bethlehem city council that will make Christmas 1988 the gloomiest yet. To express solidarity with the Arab cause, the leaders ordered historic Manger Square to be bare of the usual tinsel and twinkling lights. The city is also canceling the annual Boy Scout parade and its reception for visiting dignitaries. Moreover, many citizens say they are too dispirited this year to hold their customary family celebrations. The new Latin patriarch Michel Sabbah, a pointed critic of Israel's policy toward Arab resi-



The 1987 celebration at Manger Square, days after the *intifadeh* erupted

There will be no tinsel or twinkling lights brightening this holiday season.

dents, will still lead the centuries-old procession across the square for midnight Mass at the Church of the Nativity. But, all in all, says Roman Catholic Deputy Mayor Hanna Nasser, "it is a very sad Christmas."

The sadness extends from Bethlehem to nearby Jerusalem and many West Bank towns, where Christians, who are overwhelmingly Arabs, say they too will be forgoing glittering displays and traditional festivities. Most of the country's Christian leaders see no end to the *intifadeh*. They fear that their flocks, already reduced by a century of emigration to the West, could gradually decline into virtual extinction, as has already happened to the

once grand Greek Orthodox community in Muslim Turkey.

As prospects for peace inside and outside Israel falter, rumors fly in Christian neighborhoods about people seeking visas to move to North and South America. Since Christians are a minority, says the Greek Catholic patriarchal vicar in Jerusalem, Archbishop Loutfi Laham, they "need stabilization and peace in order to stay here." For the moment, at least, the fears of a disappearing flock appear exaggerated, judging by estimates from Israeli sources. They show that there are 103,000 Christians in Israel, including the Jerusalem area, compared with only 67,000 in 1967. During the same period, the total number of believers in the occupied West Bank has held steady at around 30,000.

Despite such statistics, Christians have already become a minority in places where they traditionally predominated. Bethlehem, for instance, a Christian stronghold from the very earliest days of the faith, now has a Muslim majority as a result of high Islamic birthrates and an influx from refugee camps. The growing influence of Israel's Orthodox Jewish political movements adds to anxieties. Says Bethlehem's Nasser: "Jewish and Arab fundamentalism are the same. They are like sisters, and we fear the sisters are going to clash, and we will be caught in the middle."

—By Richard N. Ostling

Reported by Ginni Walsh/Jerusalem

Milestones

ACQUITTED. Peter Rosier, 47, of charges that he murdered his cancer-stricken wife Patricia; in St. Petersburg, Fla. Rosier, a pathologist, admitted he provided his wife with 20 Seconal sedatives, morphine injections and suppositories to help her commit suicide in 1986. His wife's stepfather, who actually ended the comatose woman's life by suffocating her, was granted immunity before investigators learned of his part in her death.

CONVICTED. Yu Kikumura, 36, suspected Japanese Red Army terrorist arrested last April when a state trooper discovered three high-powered pipe bombs in his car at a New Jersey Turnpike rest stop; on twelve counts, including transporting explosives with intent to kill; in Newark. He was convicted after a rare legal procedure in which he did not contest the charges

but also did not plead guilty, thus allowing for an appeal. Kikumura's likely targets were never disclosed. He faces a prison term of up to 100 years.

DIED. Charlie Rouse, 64, tenor saxophonist and a pioneer of bebop; of lung cancer; in Seattle. He played with jazz giants Billy Eckstine, Dizzy Gillespie and Duke Ellington, but achieved his greatest success when he teamed up with visionary pianist Thelonious Monk in 1959. Rouse's clean, straightforward style ideally complemented Monk's jagged yet rapturous improvisations.

DIED. John Carradine, 82, scene-stealing character actor whose spindly frame, hollow-cheeked visage and sonorous baritone made him the quintessential Hollywood villain in scores of films, from *Bride*

of Frankenstein (1935) to *Billy the Kid vs. Dracula* (1966); in Milan. The father of three well-known actors—David, Keith and Robert—Carradine was a member of director John Ford's informal repertory company, giving perhaps his best performance as the ex-preacher Casey in *The Grapes of Wrath* (1940).

DIED. Luis Barragán, 86, one of Mexico's leading architects; in Mexico City. A designer of houses, fountains and plazas rather than skyscrapers, he won the 1980 Pritzker Architecture Prize, his profession's highest honor. Barragán frequently deplored what he called "architects' architecture"; he preferred plain materials like adobe and raw beams to give form to his belief that "any work of architecture that does not express serenity is a mistake."

BY HOWARD G. CHUA-EOAN Reported by David E. Thigpen



Downed by a Good Right Cross

No one dunks **MIKE TYSON** into a pool and gets away with it. But last week the Rev. **HENRY PAYDEN** plunged the world heavyweight champion into a baptismal pond in front of special guest **JESSE JACKSON** and 1,500 parishioners at Cleveland's Holy Trinity Baptist Church. And the champ thanked him for it. "I feel good," said Tyson, who dressed in white instead of his usual black. "I feel clean." Payden replied, "Well, the water didn't do it, son." Tyson was led to the church by promoter **DON KING**, who is a member of Holy Trinity. Did Payden have trouble dipping the 250-lb. Tyson? "I'm a former boxer myself," said the pastor. "I've had guys bigger than Mike, and I haven't lost one yet."

It's Better Late Than Never

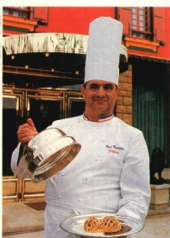
"My God, it's him!" Squeals of delight burst from the assembled women at Bloomingdale's department store in Manhattan. The object of desire was half an hour late, but

the crowd would have waited an entire day for **JOHN KENNEDY JR.**, 28, recently declared by **PEOPLE** magazine to be the "sexiest man alive." "I'm here to sell boxes," the New York University law student said sheepishly. He then began autographing \$50 sets of Christmas or-

naments, the sales of which will benefit handicapped artists, a special Kennedy family charity. Earlier his cousins **TED KENNEDY JR.** and **WILLIAM KENNEDY SMITH** had done the same. "I'm sorry you had to wait so long," Kennedy told his fans. "I didn't think you'd all be here." Silly boy.



DAVID J. PHILLIPS



Hostile Makeover

Is that a new salad chef **Paul Bocuse** is dishing out? Not at all. The world's most famous French chef is tossing invectives at food critic **Christian Millau** and the 1989 edition of his influential *Gault-Millau* restaurant guide, which had

the gall to trim back Bocuse's culinary shrine near Lyons from four toques to three. It also took down Bocuse's quality rating by 5%, from a 19/20 to 18/20. Though the book makes clear that "it is not that Bocuse has declined but that [younger chefs] have made headway," the cuisine artist, whom the guide still calls the Great Paul, considered the move a hostile makeover. "I have more respect for Mickey Mouse than for Christian Millau," steamed Bocuse, who has set up a restaurant in Disney's EPCOT center. He scoffs that Millau bases his judgments on his pet spaniel's tastes. "Critics are like eunuchs. They know how to, but they can't!" Anyway, he huffed, everyone reads the *Michelin* guide—which gives his restaurant a top-ranking three stars.

Drawing a Wild Card

The time has come to send out Christmas cards, but this? The friends and associates of **Aerosmith**, the pioneering heavy-metal group, will soon receive a

greeting graced with a Nativity scene—but, as one might expect, hardly a conventional one. In place of Mary, Joseph and other worshipers around the manger are the band members, looking like a Renaissance tableau. The boys claim no disrespect. "We

were musicians dabbling in drugs," says lead singer **Steve Tyler**, who poses as Mary. "After a while we became druggies dabbling in music. But once you get away from the false pretenses of drugdom, it's like being reborn." Reborn to be wild?



Danger: Radiation

In her memoir *Famous for 15 Minutes: My Life with Andy Warhol*, actress **Ultra Violet** is very glad her quarter-hour is up. Born in France as Isabelle Collin Dufresne, she conjures a grim, detailed remembrance of the Factory, the late pop guru's sex-and-drug-infested workshop where "fame [was] the goal, rebellion the style." She depicts Warhol expressing regret at not having filmed a friend's suicide leap and describing his be-



Oscar, Here Comes Felix

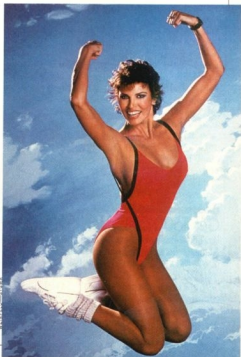
Now that Europe is about to let down its borders, why not let in a few ideas from Hollywood as well? So it was that Europeans introduced their version of the Oscar, nicknamed Felix, as in *The Odd Couple* roommates Oscar and

Felix, at a glittery ceremony in West Berlin last week. To cheers from 1,000 celebrities from Lisbon to Moscow (including actors **MARCELLO MASTROIANNI** and **BEN KINGSLEY** and directors **BERNARDO BERTOLUCCI** and

INGMAR BERGMAN), two of the first awards went to Spain's *Women on the Verge of a Nervous Breakdown*: Best Young Film for director **PEDRO ALMODÓVAR** and Best Actress for **CARMEN MAURA**. "It honors a long tradition in Spain," said a delighted Maura. A *Short Film About Killing* from Poland took the over-all best picture award. Said Kingsley, who was among this year's jurors: "We have discovered another map of Europe beneath the political one, one that is perhaps older and that has more reality. It's a map of dreams and stories." And if Felix does not yet measure up to Oscar, he does deliver something extra. Best picture winners take home a prize of \$65,500.

Hold It In, Keep It Up

Leaping leotards! Though she had her beginnings way back in *One Million Years B.C.*, **Raquel Welch** still thinks the sky's the limit. On New Year's Day she will release *Raquel: Lose 10 Lbs. in Three Weeks*, her latest exercise-and-diet video. "Yes, we're all sick to death of exercise videos," she admits. But her new tape will be different. Says Welch: "This is not just for fitness divas who have no trouble with any of the exercises." For the first time, she says, viewers will get to see her sweat through a tough workout. "In the tape I'm just another stiff who's trying to hold it in and keep it up." A stiff Raquel? Firmly set in the firmament—and elsewhere—is more like it.



loved mother's death as "going to Bloomingdale's." To her, the artist, who popped speed pills like gum and chewed on magnets to improve his aura, was a money-grabbing voyeur. "Andy only watched orgies, never joined them." Once she asked him, "What if people worship money?" His reply: "I paint dollars." The now deeply religious Ultra Violet (a born-again Christian) is no longer one of the girls in Warhol's soup but, with such tales, she may be due for another 15 minutes of fame.

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What Do You Want from Santa?

This year, parents may find the answer surprisingly familiar

Pity the toy industry and its industrial-strength elves. Over the next three weeks parents and grandparents will part with some \$5 billion in toy stores across the land. But for the second straight year, America's toymakers have not brought off the Christmas miracle they once dreamed of: the one new blockbuster toy that every child must have.

In a spirit of caution, the established companies are relying instead on their proven winners. Many are backing away from the high-tech, high-priced offerings of Christmases past, the electronic spaceships, the laser guns, the chatty dolls,

waving from her red Ferrari, G.I. Joe rappelling from the chimney with care. There will be Lego castles aloft by Christmas dinner time, cabins carved of Lincoln Logs, and portraits etched on the Etch A Sketch. Even some new hits, like Lewis Galoob's Micro Machines, are souped-up successors to such staples as Matchbox cars. "All these toys have predictable long life," says Peter Harris, president of F.A.O. Schwarz in Manhattan, "while enhancing children's fantasies and imagination."

It takes some magic and luck, and a grasp of that most chimerical substance, a child's imagination, to make an eternal toy. The best of them are infinitely simple and endlessly entertaining. There are nearly 103 million ways, for example, in which six eight-stud Lego bricks of the same color can be joined together. An artist in Colorado has re-created part of the Sistine Chapel ceiling on his Etch A Sketch. A classic toy, says John Brandt, manager of Toys International in Los Angeles, "is something where the child's imagination is the most important thing."

Toy analysts also see some sociology behind the economics. Because baby boomers take their parenting so seriously, there is much murmuring about traditional values. Thus Kenner is pushing its Special Blessings doll, with Velcro hands that clasp and floppy knees that genuflect. The company wanted to develop a doll that "would appeal to a child's image of God as a big, amorphous friend."

Kitchenware is also popular. "I am getting my daughter a set of plastic pots and pans and a little stove and sink, which I also had," says Hillary Adams, 30, mother of Natalie, 2. "But the best are the most solid, basic toys like her wooden blocks, which have enduring value through her different stages of development."

Though children flinch at gifts that are meant to be good for them, it is still true that toys that teach unobtrusively have real staying power. "Children are extraordinarily curious about their environment," says Richard Garvey, vice president of marketing for Lego. "Fad items like Hula Hoops do not engage a child's innate desire to learn." That desire largely accounts for the ubiquitous plastic Lego bricks, which can now be found in 55% of American homes with children under 15. "The best thing about the Lego blocks," says Paul Matthews, 37, father of Paul Chandler Matthews IV, 3, "is that he always builds a whole city, which I think is great. Then he destroys it."

Teaching toys also sell every year because of those pillars of the toy store, the grandparents. If a toy is well made and useful, the grandparents will find it—in many cases, because they played with it themselves. Crayola crayons debuted in 1903, Lincoln Logs in 1916. "Today grandparents have more time to spend with and on grandchildren than ever before," says Harris. "They are more likely to buy educational and developmental toys, and least

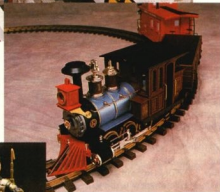


stuffed with microprocessors, that weighed roughly as much as the average child. Parents and grandparents could not be more pleased. "Last year I gave my granddaughter a talking doll called Heather that cost \$125," says Margaret Simpson, 71. "She was no good whatsoever. My daughter had to take her to the doll hospital for an \$85 limbs transplant." The only high-tech toy to flourish is Japan's Nintendo video system, whose U.S. sales could top \$1.7 billion this year, making it the No. 1 seller.

Instead, this promises to be the Year of the Classic Toy. Come Christmas morning, living rooms will be spread with some new variations on some old favorites: Lionel trains snaking around the tree, Barbie



Playing the classics: in the absence of a new blockbuster toy, this year parents may find themselves stocking the stockings with some old friends: a Lego block or two, Barbie, a Lionel engine, perhaps a G.I. Joe



likely to be reactive to fad items."

Equally wary of the sensations of Saturday-morning television, parents are turning instead to the icons of their youth. "Parents are buying trains now instead of other electronic toys," notes Daniel Cooney, executive vice president of Lionel Trains. In 1959, Lionel was the biggest toymaker in the land. After years of languishing, the company was bought in 1986 by a Detroit real estate developer and avid collector; this year production and sales increased by 35%. The customers are "baby-boomer fathers who have spent 20 years building careers," says Cooney, "and now they are looking back at their childhood remembering playing with their Lionel trains with their dads."

While grownups are busy becoming children again, children are intent on becoming grownups. In addition to the play pots and pans and stoves that cook, there are plastic telephones and radios. Above all, children are drawn to the "action figures" and fashion dolls, which allow them to invent grownups over whom they have complete control.

The empress of them all is Barbie, eternally 17 but now pushing 30. When she was first introduced in 1959, store owners were dubious. Many feared she was too adult, too shapely and too different to appeal to little girls and their traditional moms. This year she is second only to Nintendo: worldwide sales will top \$450 million, up more than 25% from last year. Mattel sells more than 20 million Barbie fashions a year, making it one of the world's largest retailers of women's clothing.

Barbie endures in part because she evolves, as each little girl grows and as each generation changes. She has survived a sexual revolution, an army of imitators and a string of risky career moves and hairstyle changes. There was Barbie the stewardess in 1961, then Barbie the nurse (no mean feat, since 1964 was the first year she could bend her knees) and Barbie the astronaut. She apparently was completing medical school at the time, since this year she emerged as Dr. Barbie. "The toys that become classics are those that help children define themselves as they grow," says Mattel USA president Robert Sansone. "Barbie is a vehicle for rehearsing what little girls will do in later life."

For all the merits of classic toys—their durability, their simplicity and their imaginative appeal—the greatest strength may lie not in the child's reaction to them but in the parents'. As mothers and fathers grow ever busier and more pressed for time, they frequently resort to toys that do the parenting for them: the bears that tell bedtime stories, the plastic heroes who teach virtue. For many children, a toy whose nostalgic appeal and sheer pleasure lure parents back into the playroom may be the best present of all.

—By Nancy R. Gibbs.

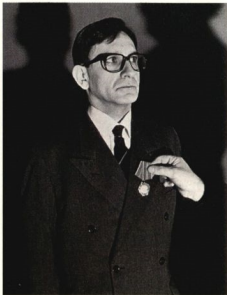
Reported by Mary Cronin/New York

Music

"I Am the Enemy You Loved"

Stalin and Shostakovich fight a duel in a powerful new film

At his death in 1975, Dmitri Shostakovich was regarded by many Western critics as the quintessential Communist Party musical apparatchik. The thin-lipped, bespectacled composer presented a bland face to the world, periodically bowing his head to the artistic dictates of Soviet authority and writing propagandistic tub thumpers to cloak his occasional forays into modernism. Or so it seemed.



Head down, but spirit high: Kingsley as Shostakovich

"Words are not my genre. I never lie in music."

With the 1979 publication of *Testimony*, the composer's memoirs secretly narrated to his friend, editor Solomon Volkov, a different picture emerged. This Shostakovich was a pragmatist, who learned to keep his head down after he was denounced in *Pravda* and saw his friends and colleagues persecuted and purged by Stalin during the Great Terror. This Shostakovich was a survivor, who saved his innermost feelings for his work: "Words are not my genre," he once said to Yevgeny Yevtushenko, whose poem *Babi Yar* he set in the brutal *Symphony No. 13*. "I never lie in music."

Now British director Tony Palmer's new film, *Testimony*, dramatizes the view that Shostakovich was a closet dissident who was bitterly resentful of the system that shackled him. In David Rudkin's elegant screenplay, Shostakovich (Ben Kingsley) negotiates his artistic salvation through public acquies-

cence, gratefully accepting his humiliation at a 1948 Soviet Composers' Union meeting and ritualistically denouncing Stravinsky at a conference the next year in New York City. Always he is haunted by the doom-laden specter of Stalin (Terence Rigby), who is seen thumbing through dossiers while sitting by the telephone, dispatching his opponents to their graves simply by raising the handset from the cradle.

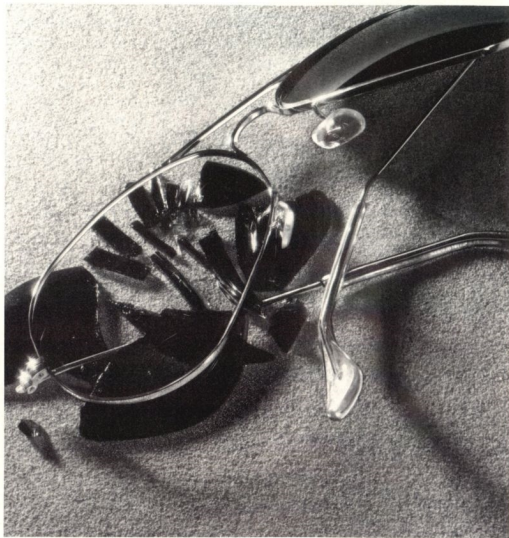
Palmer makes little pretense to literalism, preferring to relate the composer's spiritual odyssey through stark images. Shot mostly in gritty black and white, the film often turns phantasmagorical; near the end, the ghost of Stalin appears to the dying composer and tells him, "I am the enemy you loved." For all Shostakovich's hatred of the dictator, Palmer seems to be saying, without Stalin there would have been no intimate, brooding string quartets, no enigmatic, valedictory *Fifteenth Symphony*. By giving Shostakovich something to hate and fear, Stalin turned him into a great composer. The symphonies dedicated to the state and the choral potboilers like *The Vow of the People's Commissar* were a small price to pay.

The point is debatable. Cowed by the official castigation of his 1930-32 masterpiece, *Lady Macbeth of Mtsensk*, Shostakovich never completed another opera, to the world's inestimable loss. Who knows what other great works went unwritten while Shostakovich was living a double life? "Tell the administration that you're working on the opera *Karl Marx* or *The Young Guards*, and they'll forgive you your quartet when it appears," he said. Moreover, at 157 minutes the film is itself guilty of some of Shostakovich's own sins, including bombast and repetitiveness.

Still, *Testimony* is a powerful drama, the tragedy of a man who had to betray himself in order to survive. "The filmmakers did not make a saint of Shostakovich," observes Volkov of the movie. "There are no saints in real life. He is shown as a man forced to compromise on minor things to save himself for more important things." It is a Faustian bargain few composers would like to face, even if they could write a lifetime of masterpieces in return.

—By Michael Walsh.

Reported by Nancy Newman/New York



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Year's oddest couple: Schwarzenegger and DeVito in a mismatch

Double the Pleasure

TWINS Directed by Ivan Reitman; Screenplay by William Davies, William Osborne, Timothy Harris, Herschel Weingrod

BY RICHARD SCHICKEL

First thought, on looking at the billboard: nice idea; angry, bustling little Danny DeVito and cool, self-ironical, hulking Arnold Schwarzenegger as twins. Should be funny.

Second thought, at the box office: hope they don't screw it up.

For if recent movie history teaches anything, it is that the higher the comedy concept—that is to say, the simpler it is to grasp—the harder people seem to work at trying to lower it. If the project is one of those rare ones that have a possibility of appealing to practically everybody, the filmmakers are tempted to ensure that the last cipher in the least-common-denominator audience receives its message loud and clear (especially loud). Hey, his six bucks (or seven) is as good as anyone else's, isn't it?

The good news about *Twins* is that this temptation has been sternly resisted. And there is no bad news about it: no shocking language, no pants-dropping vulgarity, no desperately paced action designed to disguise witlessness. The movie's serene self-confidence encourages the viewer to settle back comfortably and just let it happen. And this is all the more surprising in that director Ivan Reitman (*Ghostbusters*, *Legal Eagles*) has in the past sometimes not known when he should leave well enough alone.

Obviously, Julius Benedict (Schwarzenegger) and Vincent Benedict (DeVito) are fraternal, not identical, twins. They

are the spawn of a Government-funded experiment in which a carefully selected woman is artificially inseminated with a spermatozoic cocktail to which six males have each made a high-grade genetic contribution. Julius, brainy, built and, as it happens, morally impeccable, is the predictable result. Vincent is the unanticipated consequence.

Both babies are immediately taken from their mother, and those concerned are led to believe she did not survive the delivery. Julius is brought up in a perfectly controlled environment, where he learns everything that can possibly be gleaned from books. Vincent is placed in an orphanage, from which he escapes to become a petty and entirely unsuccessful con man on L.A.'s meaner streets. In short, neither is equipped for ordinary life, and each needs the other to become a fully functioning human being.

It is, of course, earnest Julius who initiates the search for his long-lost brother. But after the pair are reunited, Vincent gets the most out of their partnership: a gorgeous set of muscles to help him fend off debt collectors and a moral exemplar who finally sets him on the path of righteousness. Still, Julius doesn't come off badly: he learns to drink beer, chat up girls and use a microwave. Both stars are expert at playing dumb in highly contrasting ways, and their search for their mother has its touching aspects. The whole movie has a warmth about it that never slopes over into sentiment: there is much more here than tall-guy, short-guy jokes ■

Stretch Marks

THE NAKED GUN: FROM THE FILES OF POLICE SQUAD!

Directed by David Zucker; Screenplay by Jerry Zucker, Jim Abrahams, David Zucker and Pat Proft

LA.P.D. Detective Nordberg (O.J. Simpson) smells trouble. And gets it. Thugs drill him with lead, he gets wet paint on his jacket, a bear trap snaps on his leg, and a window slams down on his fingertips. Nordberg's partner, Lieut. Frank Drebin (Leslie Nielsen), solemnly swears revenge. But before he has brought the evil Vincent Ludwig (Ricardo Montalban) to justice, Drebin must do business with a killer fish, a body-stocking condom, a ballplaying assassin (Reggie Jackson) and the Queen of England. As Frank could tell you, it's the same old story: "Boy finds girl. Boy loses girl. Girl finds boy. Boy forgets girl. Boy remembers girl. Girl dies in a tragic blimp accident over the Orange Bowl on New Year's Day."

From the opening credits (a police car's siren light cruises down a street, onto the sidewalk, into a house, through a girls' shower room) to the closing crawl (which confides, "In case of tornado, southwest corner of basement"), *The Naked Gun* is a picture in thrall to its own silliness. Three of the film's perpetrators, the ZAZ team, spoofed '70s disaster epics in *Airplane!* and spy movies in *Top Secret!* Now they have stolen from themselves, extending their 1982 TV series *Police Squad!* to feature length. The stretch marks show, in a plethora of chase scenes and bathroom humor that makes *The Naked Gun* seem like *Police Academy* with a brain. Well, maybe three brains. Like the ZAZ lads' other films, this is a movie made for a VCR Saturday night. They supply the jokes; you bring the microwave popcorn and modest expectations.

—By Richard Corliss



Fish bites man: Nielsen loses by a nose

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A Child's Garden of Lore And Laughter

From ants to Eskimos, twelve delightful volumes to grow on

BY STEFAN KANFER

The writer of fairy tales, said J.R.R. Tolkien, "makes a Secondary World which your mind can enter . . . You therefore believe it, while you are, as it were, inside." This year a dozen books invite young readers inside to visit the worlds of animals, machinery and legend, places that can be re-entered as long as the enchantment lasts.

A masterpiece by Maurice Sendak is rare. A newly discovered tale by Wilhelm Grimm, younger of the Grimm brothers, is unprecedented. The work of collaborators separated by more than 150 years is irresistible. All three converge in *Dear Mill* (Farrar, Straus & Giroux; \$16.95), a long-lost Grimm tale in which a mother sends her child off to the forest as war approaches. Milli stumbles upon a safe house where she is sheltered by St. Joseph and her guardian angel. After three days the child is guided home, but in that time 30 years have passed. Milli is unchanged; her mother has dramatically aged. The conclusion is freighted with mystery, amplified by Sendak's floating vistas and romantic palette. Although themes of death and resurrection haunt the narrative, its illustrator removes any chill with fleeting allusions to Mozart, the Seven Dwarfs, unfolding flowers and amiable canines.

The stories of *In the Beginning* (Harcourt Brace Jovanovich; \$18.95) are far older than Grimm's. Each concerns the creation of the world, and Virginia Hamilton gives every culture equal time and space. The Hurons speak of a woman who started things by falling from a torn place in the sky. The first man, say the Eskimos, hatched from a pea pod. The ancient Chinese venerated a giant who burst from a vast egg. Barry Moser's illuminations treat these legends with dignity and delicacy, and go on to show dozens of other prime movers, including a feathered serpent, an octopus and Pandora. As the paintings prove, each figure is not only a people's fantasy but also an illustrator's dream.

Fire Came to the Earth People (St. Martin's Press; \$9.95) speaks of another kind of legend. The moon goddess Mawu, say the West Africans, wanted to keep fire for herself. The lion, panther, elephant and ante-



Dear Mill A Grimm tale with floating vistas and a romantic palette from Sendak



Two Bad Ants Mishaps with a spoon, a toaster, a cup and a human mouth

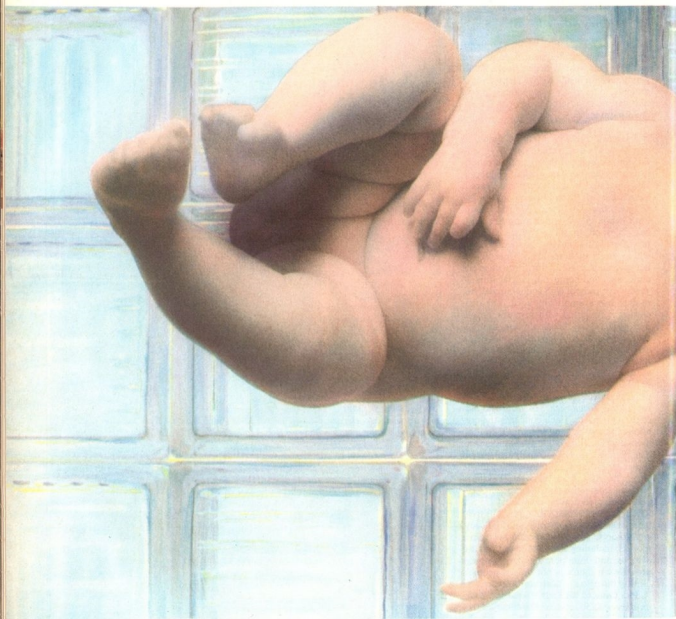


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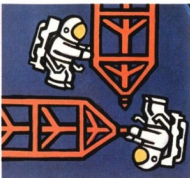
TIME, DECEMBER 12, 1988

WILLIAM VOICE

PIETER RABBIT



Spirky Sulks
*Wounds of youth,
consolations of
pouting*



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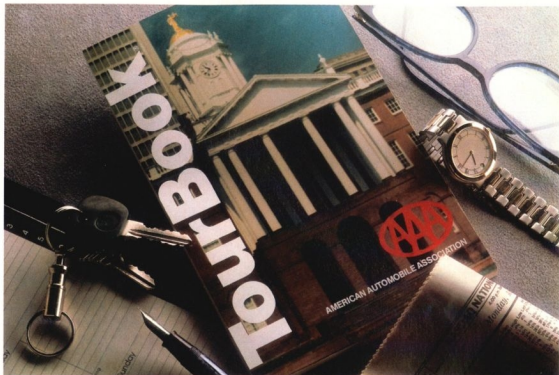
lope vainly tried to persuade her to part with the secret. Then the chameleon had an idea. Straw was gathered and given to the tortoise. He sneaked it up to the sacred flame. The glowing embers were gathered under his shell and valorously brought home, safe forever from the jealousy of Mawu. The secret of Susan L. Roth's retelling lies in the strong rhythms of oral history and the stark tints of hand-dyed textiles.

With heavy black lines, elemental colors and vigorous figures, Byron Barton follows the exploits of a futuristic young traveler who says **I Want to Be an Astronaut** (Crowell; \$12.89). All the experiences are cataloged and exhibited: zero gravity, concentrated meals, a space walk, even the building of a factory in orbit. Once upon a time such adventures seemed the stuff of daydreams. This user-friendly manual makes them not only plausible but likely.

No wonder **Dinosaur Bob** (Harper & Row; \$12.89) is dedicated to King Kong. Like his predecessor, this jolly green giant is captured in Africa and packed off to the U.S. There he delights the gaping crowds by playing the trumpet and baseball. Alas, he also disrupts traffic and incurs the wrath of policemen. Here ends the similarity of ape and monster. William Joyce's plot and pictures provide laughter, thrills and, most important, a happy ending. Fair enough. Kong, after all, was a tragic figure; Bob is a comic creature. It was beauty killed the beast; it is whimsy keeps the reptile alive.

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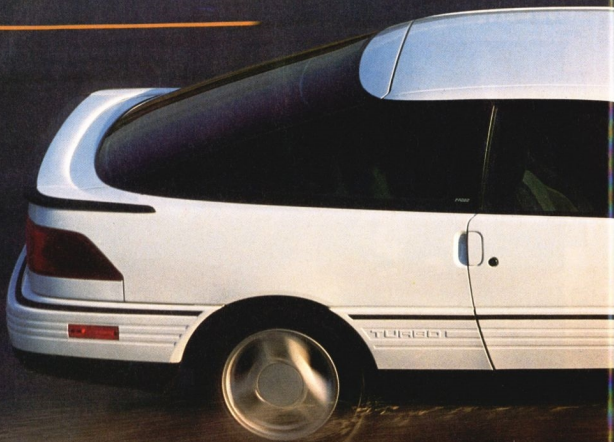
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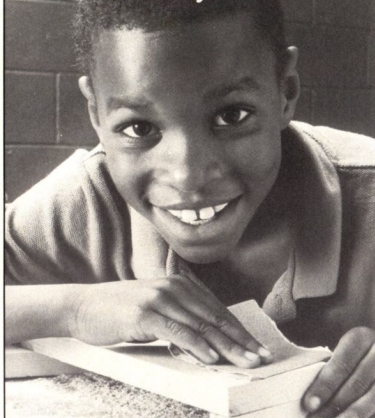
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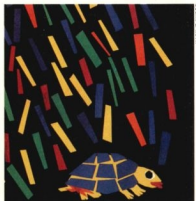
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The Club that beats the streets.

cept for **Two Bad Ants** (Houghton Mifflin; \$15.95). Their mishaps with a spoon, a toaster, a cup of coffee and a human mouth are the subjects of Chris Van Allsburg's tale, brilliantly illuminated with renderings of a world seen from the underside, as two tiny protagonists scamper through its wonders and terrors on all sixes.

His sister calls him Stinky, his brother does not believe that Philadelphia is the capital of Belgium. Naturally **Spinky Sulks** (Farrar, Straus & Giroux; \$13.95). At age 81, William Steig can still use the cartoonist's technique to render the wounds of childhood and the consolations of pouting. Spinky receives entreaties from his mother, lectures from his father and apologies from his siblings. Eventually, of course, he comes around, but only on his terms and his schedule. In youth as in humor, timing is everything. Steig has not forgotten that either.



Fire Came to the Earth People Plots from a lion, a chameleon and especially a tortoise

In lesser hands, it might have been called gimmick literature. But there is a high purpose behind **Look! Look! Look!** (Greenwillow; \$12.95). Regularly, a small window is cut out of a page. Peering through it, readers may see the crown on the Statue of Liberty, or the side of a briefcase or a mysterious red eye. The pages that follow reveal the whole photograph and provide some astonishments. The eye turns out to be rose petals. The briefcase is an elephant's tail. The crown is the center of a carousel wheel. Tana Hoban's pictures tell a double story and serve a dual function: to entertain and to teach the young eye how to see.

Tail Feathers from Mother Goose (Little, Brown; \$19.95) skims a famous compilation of nursery rhymes by two Oxonian, Iona Opie and her late husband Peter. Their previous books include superior verses, but no better illustrations. Some 60 prominent artists from Sendak to Nicola Bayle have given stature to such street doggerel as "Once there was a little boy./ He lived in his skin./ When he pops out./ You may pop in" and George Bernard Shaw's effort for the young, presented at

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COUNCIL FOR AID TO EDUCATION
TIME, DECEMBER 12, 1988



age 93: "Dumptydoodledum big bow wow/ Dumptydoodledum dandy!" Not exactly Dr. Seuss, but, as young people know, many a satisfying afternoon can be spent with leftovers.

"At least four hundred years from now/ Your tale will still be told, I vow." The prophet is Queen Elizabeth I, and she is celebrating **Sir Francis Drake, His Daring Deeds** (Farrar, Straus & Giroux; \$12.95). So is Roy Gerrard, who imaginatively charts the rise of Britain's supersailor from cabin boy to conqueror of the Spanish Armada. Although the author-illustrator employs rhymed couplets and a suite of exuberant watercolors, he is textbook-true to history, pageantry, royalty and, most important, the man who "took his leave, with sails unfurled,/ to circumnavigate the world."

Far, far away there lies a lake where the great birds go in winter. Then, at the first hint of spring, they fly off in giant Vs that stretch across the **Swan Sky** (Philomel; \$13.95). One season a female becomes too weak to travel. Her family is torn between staying with her and obeying the magnetic force that pulls them northward. With striking woodcuts in black, white and pervasive blue, Tejima, a Japanese artist, explains the cycle of the seasons and the migration of birds, which, like humans, carry on an unspoken dialogue with the changing face of nature.

Primary and secondary colors go first class in **Who Said Red?** (McElderry Books; \$12.95). Mary Serfoso's lively text quotes a sister teasing her kid brother: "Now who said blue? Could it be you? A blue sky blue, a blue eye blue, a bow, a ball, a blue jean blue?" Or perhaps he wants "slicker yellow, sunshine yellow, lemonade and daisy yellow." But no; despite the additional temptations of purple, brown, pink and orange, the boy hews to one hue: "A cherry, berry, very red." And who can blame him? Keiko Narahashi shows a rainbow of appealing items, but the best is obviously Santa Claus on a fire engine. What redder, better way to say Merry Christmas? ■



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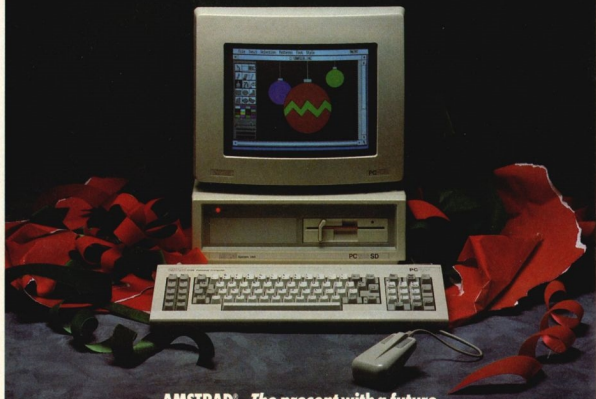
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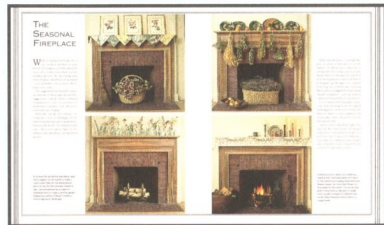
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Portland Offers a Calling Card

In an elegant structure, the city unveils its regional troupe

BY WILLIAM A. HENRY III

When a city stakes a claim to sophistication and social significance, a few indispensable items had better be in its possession: a major-league sports franchise, a newspaper that has taken a few scalps among local politicians, restaurants offering ethnic cuisines more *recherché* than Italian and Chinese. And, above all, a couple of first-class performing-arts troupes and a glistening new place for them to perform in. Until this year, Portland, Ore., comfortably qualified on the

dum for an arts complex. The theater, designed jointly by three architectural firms, would be beautiful: an elegant brick-and-glass exterior, a sweeping spiral staircase, luxurious lobbies and, far above the seats inside, a twinkling dome suggesting a planetarium. By then, Portland leaders hoped one of the city's own burgeoning theater companies could fill the intended 900-seat space. But one prospective tenant folded, and in 1986 a study for a local foundation concluded that no other Portland-based candidate could survive the demands of a first season.



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Home of the new Center Stage: a notable expansion for Ashland's Oregon Shakespeare Festival

Rejected earlier sites included a former burlesque house and a Masonic temple.

first three counts but was a little shaky on the last. Not only did its proudly refurbished downtown lack a local equivalent to Manhattan's Lincoln Center or Washington's Kennedy Center, but Portland actually qualified as the biggest U.S. city without a large-scale resident theater.

Not that it had not tried. Reputation-minded civic leaders started back in 1976 by romancing the Oregon Shakespeare Festival (O.S.F.), then based in the quiet college town of Ashland 285 miles south, to expand up north. The Portland suitors proposed installing Ashland's classical company in a funky former burlesque house or a renovated Masonic temple, but the facilities proved faulty, and eventually the whole idea died.

The city thereupon reconciled itself to the need for a new theater, and in 1981 voters approved a \$19 million bond referen-

So, with construction under way and a crisis in the making, Portland renewed its overtures to O.S.F. Officials there were committed to staying in Ashland yet interested by edgy about the prospect of adding a second operation. Says executive director William W. Patton: "We knew this was either the logical next step or a way to endanger everything we had done up to now." Among O.S.F.'s demands: enough local financial support that the two operations would not have to compete for resources. Portland came through, at last attaining its cultural calling card. Last month its new Center Stage opened with a robust version of Shaw's *Heartbreak House* and a bank-sponsored gala costing an estimated \$25,000.

The honeymoon was at times as bumpy as the courtship. The architects and the board of the arts complex insisted

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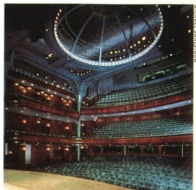
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on a picture-frame proscenium stage, a style popular at the turn of the century but widely rejected by directors today in favor of a more open stage that thrusts forward into the seating. Ashland officials protested the proscenium but lost. So for *Heartbreak House* they built a playing area in front of the permanent stage (at a loss of 50 seats) and artfully camouflaged the proscenium with dark masking in the hope that playgoers might not notice it.

Ashland's festival and the Portland troupe are bound to be a bit out of synch. About 90% of Ashland audiences are tourists who come from more than 150 miles away and stay several days, so the optimal schedule is a rotating repertory offering up to nine plays a week among three theaters. Portland will play mainly to local subscribers with successive shows, each in an uninterrupted run. Artistic di-



Over the seats, a planetarium-like dome

Honeymooning after a bumpy courtship.

rector Jerry Turner vowed that there would be no Shakespeare in Portland's inaugural season and that no play would transfer from one site to the other. He rented in order to share between the two the costs of staging Shakespeare's relatively obscure romance *Pericles, Prince of Tyre*. Also included in Portland's five-play inaugural subscription season will be the West Coast premiere of the off-Broadway hit *Steel Magnolias*, opening this week, plus Molière's *The Miser* and Ted Tally's *Terra Nova*.

To judge from *Heartbreak House*, Portland's troupe, like Ashland's, will offer moments of novelty and insight within conventional stagings, accessible to the mainstream. The opening show, directed by Shaw's drawing-room comedy and muted the gloom in his vision of a bourgeoisie adrift toward World War I. Yet through keen attention to the text's use of sound, from bursts of laughter to claps of thunder, Turner adroitly prepared the audience both for the buzz of aerial bombs in the final scene and for the characters' pathetic unpreparedness. Portland's and Ashland's storm-tossed courtship has yielded a marriage of true minds. ■

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Where Are the Censors?

A titillating fall raises questions about network standards

Explicit sex! Full frontal nudity! Rampant blood and gore! No, network TV still does not allow such things into the American home. But ABC, CBS and NBC have grabbed viewers' attention this fall with a surprising amount of racy material and have prompted new questions about whether network standards of "good taste" are starting to crumble.

NBC's political thriller *Favorite Son* sparked a minor furor with suggestive scenes of bondage and other kinky sex. Geraldo Rivera put a few noses out of joint with his grisly NBC special on satanic cults. Male strippers flaunted their pecs and pelvises in the ABC movie *Ladykillers*, while NBC's *The F.B.I. Murders* culminated in perhaps the longest and bloodiest shoot-out in TV history. Even the classy ABC mini-series *War and Remembrance* turned off some viewers with its graphic scenes of Nazi atrocities.

This upsurge in openness has been linked by some critics to cutbacks in the network departments of standards and practices—the censors who review shows and commercials for offensive (and potentially litigious) material. During the networks' recent wave of cost cutting, the ranks of these watchdogs were drastically reduced: from a peak of 75 to 80 per network during the 1970s to 35 to 40 today at ABC and fewer than 30 each at CBS and NBC.

Network executives deny any cause-and-effect relationship between the staff cutbacks and greater permissiveness. True, standards-and-practices people no longer read every script or attend every taping. But shows are still vetted by program executives, who alert the censors to potential problems. "We changed the mechanism, but we did not change the standards," says Alan Gerson, who heads the remnants of NBC's standards division. Indeed, most of this fall's boldest shows were written and reviewed before most of the recent cutbacks.

Yet some relaxation of standards appears to be taking place, partly in response to competition from cable, where explicit material is commonplace. "The networks have seen their share of the audience erode, and I think there is a tacit approval to go a little further," says Rob-

ert Singer, an executive producer of the new NBC series *Midnight Caller*. Network viewers today can see a sliver more nudity than they once could (though only from the rear), hear a few more dirty words (though usually later in the evening), and see bullets actually hitting bodies—all scenes that once were forbidden.

Some of the changes seem laughably



Loosening the reins: dressed to thrill in *Ladykillers*

Fewer watchdogs and an effort to compete with cable.

overdue. One daytime soap producer, observing that network censors no longer monitor his show regularly, says he is more likely to approve language that was once prohibited: "It used to be that you couldn't say, 'My God!' I let it go by now. You could say 'hell,' but you couldn't say, 'You go to hell.' I would allow that now."

Network standards remain far more conservative than those of some cable channels, not to mention feature films, and there is currently much skittishness about certain subjects, particularly drug use. But the networks' traditional hard-line approach appears to be easing. "We are no longer shackled by general prohibitions," says Matthew Margo, CBS vice president for program practices. "We look at the specific context of a show."

Of course, battles between producers

and censors continue to rage. "We have discussions with them every week about various lines," says Marshall Herskovitz, co-executive producer of ABC's *thirtysomething*. "Network TV still has a terrible attitude toward sex." With regard to political controversy too, the networks seem as timid as ever. *Shootdown*, the recent NBC movie about the downing of Korean Air Lines Flight 007, was altered at network insistence to soften its charges of a U.S. Government cover-up. *Midnight Caller*, already the target of protests from homosexual groups over a segment on AIDS airing next week, was forced to tone down the anti-capital punishment message in another upcoming episode. The network menu may be getting spicier, but bland still seems to be the flavor of choice.

—By Richard Zoglin,

Reported by Jonathan Beatty/Los Angeles and William Tynan/New York

High Dive

NBC bets on the '92 Games

For NBC, the 1988 Summer Olympics provided something less than the thrill of victory. Critics complained that the coverage was uninspired, viewers grouched about commercial overload, and ratings were a major disappointment. The prime-time audience averaged 16.9% of total households (compared with 23.2% for the 1984 Los Angeles Games), falling far short of projections and virtually wiping out the network's expected profits. So it came as a surprise last week when NBC took an Olympic high dive once again, spending a record \$401 million for the TV rights to the 1992 Summer Games in Barcelona.

The most disappointed loser in the fierce three-way bidding war: CBS, which was considered the favorite after spending \$243 million for the rights to the 1992 Winter Games in Albertville, France. As for ABC, it has now been shut out of three straight Olympics. NBC's winning bid exceeded most predictions and far surpassed the \$300 million it paid for the Summer Games this year.

With the audience for big network events dwindling, such lavish spending might seem foolhardy. But NBC executives were upbeat. The Games will begin in late July, they point out, when TV competition should be relatively light. (Because of the time difference, however, most events will be shown on tape rather than live.) What's more, NBC will recoup part of its investment by selling the rights for some events to cable. "We didn't go into this to lose money," said NBC president Robert Wright. Increasingly, in the high-stakes world of network TV, it just seems to work out that way. ■

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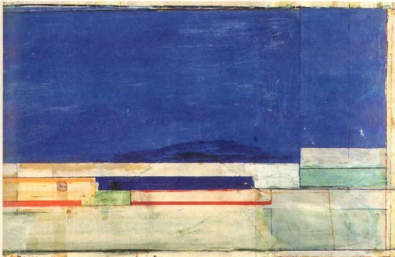
Richard Diebenkorn's drawings make an inspiring exhibition

BY ROBERT HUGHES

The idea of mastery has taken a beating in American art circles in the 1980s. Scorned by deconstructivists as the mask of elitism, downgraded by critics who ought to know better, misused ad nauseam by the art dealers' industry, and rare as the phoenix anyway—Who wants it? And yet, who doesn't? Sometimes you

in drawing, especially, of Diebenkorn.

Diebenkorn, 66, has spent nearly all his working life in California; but the time is long past when he was regarded in New York as a California artist, with the slight condescension that implies. He is, quite simply, one of the best painters America has ever produced. He began as an abstract painter, making organic, landscape-like images in an idiom related to



Untitled (Ocean Park), 1984: carrying the record of its making, false starts and all

A steadiness of mood and too much enjoyment of the world to be detached from it.

come across a contemporary exhibition for which there is no other word, and the show of drawings by Richard Diebenkorn at the Museum of Modern Art in New York City is one.

For mastery does not mean a talent frozen in its own fancy high-mindedness, a rhetorical grandeur. It means the kind of range, flexibility and intelligence of response that enables an artist to pass on his culture—his sense of past art and what it means—to the present, refracting it through his own experiences without nostalgia or loss. Mastery does not kid itself in distinguishing between a real relation to tradition and one based on expediency. It does not mean facility. (Cézanne had it, in the teeth of exhausting struggles with the motifs that show at every point in his work. Matisse had it, while making things look easier, at least on the surface.) It is not present in raw talent. It rises from deep continuities, not sudden facile ruptures. There are a few living American artists who have it. One thinks of Robert Motherwell's collages, for instance. And

abstract expressionism; one of his inspirations, though in the end an adversary one, was Clyfford Still, a colleague at the California School of Fine Arts in San Francisco in the late '40s. Then in 1956 he turned to representational painting, believing that his work could only develop out of a closer contact with the world's body. The grand synthesis of the two came after 1970, with his *Ocean Park* paintings.

But every stage of his painting is based on drawing to an unusually full degree. Drawing is the essence of his work, the process that makes his pictorial thought possible. It defines the forms, sets up the changes of pace between areas abutting across a surface, provides the evidence of change and reconsideration that the calm look of his finished paintings only partly hides. "If [drawing] does not insist on its importance," writes the show's curator, John Elderfield, in his catalog essay—as acute and satisfying a task as any critic in recent memory has written on drawing—"it is because its importance is that of mortar between bricks, barely

noticeable at times but what holds the structure together and keeps it firm."

Not the least remarkable quality of Diebenkorn's graphic work is the formal constancy that runs below its variations of subject and diction. You detect its exterior sign in a steadiness of mood. There are not many emotional ups and downs in Diebenkorn's work, although he certainly does not feign his calm. He finds the world too enjoyable to be detached from it. Life in Southern California (and a durably happy marriage, now in its 46th year) has had the same kind of stabilizing effect on Diebenkorn that the Côte d'Azur did on his great mentor, the subject of his most impassioned reflections, Matisse. This is apparent in Diebenkorn's figurative drawings of the '60s, and transparently clear in the *Ocean Park* abstractions from landscape that absorbed him from 1970 through to his move from beachside Santa Monica to Sonoma County earlier this year.

In the figure drawings nothing is sentimental or overwrought. Naked or dressed, their model—commonly his wife Phyllis—inscribes herself on one's view without ceremony. Her poses seem fallen into, not directed, as natural and unaffected as could be. But what holds one's eye is the resolution Diebenkorn finds in the architecture of the body: the way a transverse arm cuts across the gourdlike shape of hips, the thrust of a shin redefining the space around it, the clear slicing of light into dark and profile into void. Diebenkorn's line learned its decisiveness in front of the model. It is clear and energetic, but less meaningfully so, in the earlier landscape abstractions. Some of these are beautiful drawings, but they are made-up images; they do not have the same stubborn pertinence to visual truth that the life drawings do, with their cutting line and their insistence that no part of the paper, marked or not, is really empty.

Diebenkorn sees drawing as a chain of events in which none of the links are hidden and every image carries the record of its own making, false starts and fresh turns included. It isn't so much a matter of spontaneity as of truth to the record. Painting covers the traces, drawing exposes them. So it is, especially, with the *Ocean Parks*, whose preliminary drawings in gouache and collage go right to the edge of being paintings in their own right; it is just that in a work like *Untitled (Ocean Park)*, 1984, you see more of the process of formation, the pentimenti, the unfolding of thought than you do in the oils. For by now, everything Diebenkorn found worth keeping in his past seems available to his perceptions in the present. This is known as artistic maturity. It is an inspiring sight, and Diebenkorn's drawing is its continuous medium. ■

Private Eye, Public Conscience

lit another cigarette and looked at the dental-supply company's bill again. The minutes went by with their fingers to their lips. Then there was a small knocking on wood. It was a blond. A blond to make a bishop kick a hole in a stained-glass window. She smelled the way the Taj Mahal looked by moonlight. She gave me a smile I could feel in my hip pocket. "Cops are just people," she said irreverently. "They start out that way, I've heard."

The lines above come from four different novels by Raymond Chandler. Yet all of them seem to issue from our memories or dreams, or at least the ones in which we picture ourselves, alone in the office, dreaming of cool blonds and stiff whiskeys (or cool whiskey and stiff blonds). Raymond Chandler was ghostwriter to the sound track our lives so often imitate. The figure of the tough-but-tender hero cracking wise to cover up his soft spots; the lethal blond and the flick-knife dialogue on which the movies (and so the rest of us) still feed—all of them seem to have been copyrighted by the onetime oil executive who only began writing at the age of 45. In seven novels and in the screenplays he wrote for Billy Wilder and Alfred Hitchcock, Chandler scripted much of the unshaven poetry and arsenic idealism that form us now, and haunt us still, in Mickey Spillane beer ads and smoky urban videos, from Jack Nicholson's Chinatown to Joan Didion's Malibu.

Chandler is not, of course, the only American writer with a centenary this year who worked in a British bank, steeped his writing in the classics and explored the breakdowns of the age in cadences so memorable that he seems to have taken up a time-share ownership of Bartlett's. But T.S. Eliot was an American who found his voice in England, and in books. Chandler, by contrast, was an honorary Brit who smuggled two foreign substances into Hollywood—irony and morality—and so gave us an unflinchingly American voice, the kind we hear in the rainy voice-overs of our mind. Few would suggest that Chandler is a more significant literary figure than Eliot. But quality and influence are mysteriously related, and Chandler has inspired more poses and more parodies, perhaps, than any other American writer of the century save Hemingway. Eliot merely articulated the deepest spiritual and emotional issues of the times; Chandler put them on the sidewalk.

Chandler's most immortal creation—co-produced by Humphrey Bogart—was the quixotic figure of the gumshoe, Philip Marlowe, private eye and public conscience, sitting behind his pebbled-glass door with an office bottle and a solitary game of chess. What made Marlowe special was simply the fact that he was nothing special, no genius like Sherlock Holmes, no *Connoisseur* model like James Bond. Just an underpaid drudge with, as one mobster says, "no dough, no family, no prospects, no nothing"—except a habit of making other people's worries his own, and a gift for

walking in on corpses he knows just well enough to mourn.

Chandler's greatest invention, however, may well have been Marlowe's constant adversary, California. Nobody has ever caught so well the smell of eucalyptus in the night or the treacherous lights and crooked streets of the L.A. hills. In Hollywood, city of false fronts and trick shoots, Chandler found the perfect location for investigating artifice, and with it the shadow side of the American dream of reinventing lives. The one time Marlowe enters a Hollywood stage, it is from the back, and that, in a sense, is his customary position: seeing glamour from behind, inspecting illusions from the inside out, a two-bit peeper spying on the rich man's costume ball from the service entrance. His is a Hollywood filled with missing persons, bit players who are living a long way from the lights: gigolos, gold diggers and snooping old women, remote-controlled punks and "the kind of lawyers you hope the other fellow has." Chandler found gurus, juju addicts, pornographers and abortionists before most people knew they existed.

It is no coincidence, then, that Chandler's most famous weapon was the simile, the perfect device for describing a world in which everything is like something else, and nothing is itself. And the unrelenting sun of California only intensified the shadiness. By the end of his career, in fact, Chandler was pulling off a series of bitter twists and brilliant turns on the paradoxes of illusion: the prim secretary from Manhattan is, in truth, from Manhattan, Kans., and turns out to be a tight little chiseler, while the movie-star vamp



Lauren Bacall and Humphrey Bogart in *The Big Sleep*

has a fugitive innocence the more theatrical for being real. Chandler's greatest technical flaw—his way, ironically, with plots—arose from the simple fact that he felt the only real mystery worth investigating was morality, and why only the innocent confess, while murderers are brought to no justice but their own.

There was, of course, an element of romantic sentimentalism in much of this, as Chandler well knew. It was no coincidence that he called his first detective "Mallory." Chandler identified all too closely with his "shop-soiled Galahad," struggling to maintain a code of honor in a Hollywood that had never heard of the Marquis of Queensberry rules. Chandler knew the sting of being typecast as a small-time operator ("The better you write a mystery," he complained, "the more clearly you demonstrate that the mystery is not really worth writing"). Yet what he knew most of all, as one of Hollywood's great theoreticians, was that a writer cannot afford to be too removed from the streets, and that what the public needs is a shot of romantic realism. T.S. Eliot was a civil man, and a public-minded writer, and so it is only right that his anniversary be marked in public ceremonies; Chandler was the laureate of the loner, and so his admirers recall him now in quieter ways, alone, unnoticed, with a light on in their darker corners. ■



SILENT NIGHT

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